

INSIDE: The new assaults on medicare

Maclean's

JANUARY 23, 1994

CANADA'S WEEKLY NEWSMAGAZINE

\$1.25

THOSE CRAZY LOTTERIES



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Maclean's

JANUARY 23, 1991 VOL. 17 NO. 31

COVER

These crazy lotteries

The national dream took the form of a lottery ticket last week. The frenzy to take a chance created long lines, but a top prize worth more than \$13 million made the wait worthwhile for Canadians who were willing to gamble at least a dollar. The national lottery fever, however, also reignited old debates about the morality of gambling. —Page 12

COVER PHOTO BY BRIAN WILSON/STOCKPHOTO



Kissinger seeks consensus

The long-awaited Kissinger commission report on U.S. policy in Central America seeks a bipartisan agreement, but it will likely fuel an explosive debate. —Page 25



In praise of the North

From melancholy Newfoundland twilight to dark Canadian forests, the *Mythic North* exhibition surveys wilderness landscapes on two continents. —Page 28



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An assault on medicare

There are grounds for concern about Canada's medicare system, but it is not—as the heated medicare debate tends to suggest—in any serious danger. —Page 29



MacGuigan on contempt

Contempt-of-court rulings have sparked several legal controversies recently. But new guidelines that were announced last week will help to standardize the law. —Page 62

Our titular lady

I am still wondering where Jeanne Rabe's new title, "Our First Lady," came from (*The First Lady*, Cover, Jan. 3). When the *Governor General* is a man, we never call him "The Governor-General," do we? —YVES BELLERIVE, Downsview, Ont.

Your import of the American expression "First Lady" into Canada, as I thought, implies either that Her Majesty is not first or, even worse, that she is no lady. Let us stick with describing our new Governor General as "Her Excellency" and hope that she will inspire confidence in us all.

—KATHIE C. ARNOLD, Chatham

An honorable mention

Not to take anything away from John Rabe's *World War and the other catastrophes mentioned in Catastrophes that changed the world* (Natural History, Dec. 26), but as old-timers by the name of Immanuel Velikovsky published his revolutionary ideas on the effect of major catastrophes in the more recent history of the earth in 1950 (*Worlds in Collision*). You should at least have given him an honorable mention.

—VAL NACHTS, Regina, Ont.

The long-term costs of dyslexia

Your article *Thoughts into dyslexia* (Melrose, Jan. 16) is timely and incisive. The search for the causes of dyslexia is being narrowed, and it is increasingly evident that most dyslexics can be taught good language skills at a



Rabe's inspiring excellence in art all

cost which is insignificant in terms of the social and financial costs of neglect. The roles of the unemployed are rife with the uncounted learning-disabled. Some provincial governments are now in the process of preparing their 1984 budgets. I hope that these who are responsible for programming for dyslexia and other learning disabilities will have read your article.

—MARY LOUISE STEINBERG, Principal, Remedial Reading Centre, Toronto

Bell's other reasoning

In the *Business/Economy* article Bell's pay-on-go call campaign (Dec. 26), you completely neglect what is probably the ultimate reason for opposition to local measured service (LMS). Corroborated economic article, many Canadians do not want information about their every outgoing and incoming call, including exactly when, to whom and for how long, recorded in giant computerized data banks. The unbridled drive by Bell Canada and others to force laws upon us, despite high costs (borne by customers) and apparently unlinked nervous considerations of the alternatives leads credence to suppositions that their real reasons may be more than purely economic in nature.

—WATSELBERG, Penness, Ont.

The Expos and their origins

In your Jan. 9 *Pageant* section you state that Maury Wills played for the Montreal Expos in 1962. That is impossible. The Expos did not play their first game until April, 1969. Canada's first major-league team was founded in the fall of 1961 but did not take to the field until the following spring.

—BRADY SILVERMAN, Willowdale, Ont.

PASSAGES

APPROVED: William Rempel (page 36), Céline Hervieu-Payette, 42, and Jacques Olivier, 39, in an unexpected cabinet shuffle, by Prime Minister Pierre Trudeau, in Ottawa. Montreal-Meridien: Mr. Hervieu-Payette moved to the newly created Youth portfolio. Cabinet member Olivier, MP for Lunenburg, replaces her as minister of Science and another sport.

AWARDED: To television newscaster Christine Craft, 39, \$125,000 in damages, by a federal jury, in Joplin, Mo. The decision followed a retrial of Craft's lawsuit against Montgomery Ward, finding the company guilty of fraud in misrepresenting her job before the company hired her for \$1 Craft claims she was demoted because she was "too old and unattractive."

OVERTURNED: A decision by a federal appeals court on Dec. 11, 1981, barring a \$18-million (U.S.) punitive damages award to the three children of laboratory analyst Karen Silkwood, who died on Nov. 24, 1976, by the Supreme Court in Washington, D.C. In 1978 Silkwood's family sued Kerr-McGee Corp. for negligence, because shortly before her death Silkwood became contaminated while working at Kerr-McGee's plutonium plant in Oklahoma.

DEED: Ray Kroc, 81, owner of McDonald's fast-food chain, of heart failure, in San Diego, Calif. Kroc built McDonald's into a 7,000-restaurant worldwide empire worth \$7.1 billion after he bought the U.S. franchise operation from Maurice and Richard McDonald in 1960. Kroc also owned the San Diego Padres National League baseball team.

DEED: Moïse Saad Hadad, 41, the renegade Lebanese Army officer who commanded a pro-Israeli force in southern Lebanon, of cancer, in Marjouna. Hadad's force of 2,000 mainly Christian militia was linked to but subsequently cleared of the Sept. 16, 1982, massacre of 700 to 800 Palestinians in the Sabra and Shatila camps outside Beirut.

DEED: Peter Evans, 56, of pneumoconiosis, a type of pneumonia, after contracting the insurance-deficiency condition, while in Ottawa. Evans became a well-known figure after he began making speeches across Canada about ATIS.

CHANGED: James Keegstra, 48, with widely promoting hatred against a group, in Edmonton. The former mayor of Eskville was banned from Eskville Junior-Senior High School on Dec. 7, 1982, after he had told students that the Holocaust was exaggerated.

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do not have the appetite anymore?"

The war with Lebanon, which Begin had expected would be over in 48 hours, also acquired a heavy toll on his emotions. For him, every Israeli death was a personal setback. After his resignation his private secretary, Yosef Khmoulsky, 36, said reporters that the prime minister felt betrayed by the actions of the war. Defense Minister Ariel Sharon and Chief of Staff Rafael Eitan (Deceased Kibbutz) "He had been given to understand that he would go into Lebanon and then get out quickly."

The June 6, 1982, Israeli invasion of Lebanon was not the first time that Begin had shown signs of deep melancholia. Indeed, he often seemed prone to manic depression. For long periods during his seven-year prime-ministerhood he was gloomy and apologetic. Senior government officials reported that he often fell asleep during briefing sessions with his personal staff. But on always bounced back in response to a new challenge or a historic opportunity. His spirits, which he first relaxed during the 1950s when he had led the Irgun, the anti-British guerrilla underground movement, remained, "I fight, therefore I am."

But last summer Begin was more indifferent than in the past. Admitted his political secretary and confidant, Yehuda Kadushin, at the time. "He did not seem to be fighting" When Begin told his cabinet colleagues last August that "I cannot go on," there was both politeness and conviction in his words. But his announcement did not come as a surprise to his fellow politicians; they had foreseen his decision. Acknowledged Welfare Minister Abraham Ben-Zur: "The government had been a ship without a captain."

According to both Allan and Begin's wishes, she was buried at Jerusalem's Mount of Olives cemetery, near the grave of two of Begin's underground fighters who, in 1944, had cheated the British hangman by blowing themselves up with a struggling hand grenade in a crowded cell at the Jerusalem prison. On the first anniversary of Allan's death, on Nov. 14, the Begin family gathered at her grave site—Hergara, daughters Leah and Chaima, 35, and eight grandchildren. But Begin, who still can't get down from work and the camera, sat at home in his bathrobe and watched the ceremony on television. According to doctors and former aides, there are no physical reasons for Begin's morose moods. He has suffered from a heart condition for many years, but it has never stopped him from working or peace. He is not receiving treatment for any physical illness and he has apparently refused psychiatric help. Proud man he did not welcome such intrusions. —ERIC SILVER in Jerusalem

Q&A: COSTA-GAVRAS

Documenting repression, torture and persecution

Costa-Gavras Born Constantin Gavras, 60, the Greek expatriate filmmaker whose movies have become synonymous with the documentation of repression, recently released his most famous film, *Hana K.* The subject is his most controversial subject: *Under the guise of a U.S.-born Israeli woman lawyer's search for her own identity through her*

attacked U.S. involvement in the right-wing repression in Uruguay, was banned by the American Film Institute in Washington in 1972, ostensibly for "unintentional political animosity." Two years ago, before the release of *Hana K.*, its re-examination of the subject of a young American during the 1972 military coup in Chile that brought

Gen. Augusto Pinochet to power, the U.S. state department issued a violent denunciation of his portrayal of the U.S. government's role, although the movie went on to share the Cannes Film Festival's Palme d'Or and garnered European nominations for best screenplay. *Hana K.* is a former journalist and model who worked as a creative producer on *Hana K.* and their three children.



Costa-Gavras: "So many of Palestinians are innocent"

Hana K. Why did you decide to make this film?

Costa-Gavras: For 10 years I have wanted to make a movie on Israel. But one day I spent a whole morning with friends talking about the plight of the Jews in the Soviet Union and then, that same night, I had dinner at another friend's house where a Palestinian was telling

relationship with three lovers, Costa-Gavras has turned his camera on the Palestinian problem. Costa-Gavras was stranger to controversy. After studies at the Sorbonne and two mildly successful movies, he focused his lens on his native land in a 1970 explosion episode of the death of a left-wing member of the Greek parliament under the junta which earned him an Academy Award for best foreign film. In *The Confession* he went on to document Greek communist torture and repression in Constantinople, which prompted four Cypriot countries to bar the film. State of Israel, which

the story of how he tried to go back to his home in Israel and he found Soviet Jews living there. It was strange to understand that there were Soviet Jews, one kind of persecution to go to Israel, where other people were victims of persecution. It always surprised me to hear such people as Golda Meir and Menachem Begin, who came from Central Europe's pogroms, were kind and the Palestinians did not exist. That was the thing that interested me—the old question of how human beings can be persecuted and then how much they can change

Marlene's. You mean how the oppressed become the oppressor?

Costa-Gavras: Yes. I just prefer a more delicate way of saying it. *Marlene's* did you start out with any preconceived political view?

Costa-Gavras: The only view I had in that film is a kind of apolitical view in that there are victims of Jews in Israel today, and there is no way of saying, "You have to leave." So there is a double problem. But I do not think the answer lies in the direction the Israelis are taking right now. Probably the only solution is to accept each other and to live together.

Marlene's. While working on the film, did you change your ideas?

Costa-Gavras: No, although I thought before I went to Israel that I was quite well informed. But people there have the courage to say much more than we hear in Paris or in the United States. There is a more open debate. They ask more of the right questions and they have some very tough criticisms of their government's policies.

Marlene's. Did the Israeli government make any demands on you as a condition for giving you permission to film in Israel?

Costa-Gavras: There was no direct censorship. They asked us first for a synopsis and then a script. But they did not ask for any compromises. I think they knew I would not accept it. But when you work in a town, you need the cooperation of the police and the army, and that was refused—there never was any negotiation.

Marlene's. Was the censorship of the alert in each major center in Toronto, New York and Los Angeles. That was never reluctant to book *Hana K.* and the film has had very little publicity. Do you attribute that to bad reviews or to a conspiracy of silence from a Jewish lobby to kill the film?

Costa-Gavras: It could be both. It is difficult to say. Conspiracy is a very strong word.

Marlene's. Hana K. has provoked less debate than your other films. How do you account for that?

Costa-Gavras: We are dealing with a very unpopular theme and a very unpopular people, the Palestinians. And, on the other hand, with a very popular people, the Israelis. In a political sense, it is difficult to argue anything with what the movie says. But the strongest way of opposing the movie is not to talk about it at all. To let it be.

Marlene's. What kind of reactions have you received from Jewish and Palestinian audiences in Israel?

Costa-Gavras: Palestinians said that for once the Palestinian character is shown as a human being, not just a guy who plants bombs. For a lot of people in the

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West, Palestinian equals terrorist. Some Israelis find the movie a big shock, even though it says things they see hear every day at home. What was quite possible was that some people who are very pro-Israeli could not accept Hanna as an Israeli because her point of view is very liberal and open—probably the only possible point of view if Israel wants to survive.

Wagner: Some critics have accused you of making the story so a metaphor and the characters only as symbols.

Costa-Gavras: Every one of us is a symbol. You cannot get rid of the symbolism in a story even though you speak in a very, very personal level. Hanna [played by Jill Clayburgh] is francophone and Jewish consciousness, both mixed together. Her former husband [played by Jean YVES] is the Western world, because I think most Occidentals are like him. They have a kind of sympathy for Israel but they do not care that much about it. They only go there for some very special personal reason. He is a lot of people I know around me.

Wagner: The end of the film seems to say that, in fact, the Palestinians have a legal right to their land and that the Israeli legal establishment recognizes that but cannot admit it for security reasons. In other words, they have to reject the system to protect the country. Is that what you meant audience to take away?

Costa-Gavras: The conclusions are there, but I think everyone must draw them individually. The problem is not a problem of borders. It is a human problem. What is obvious is that the two peoples have to live together. We do not say there is one good guy and one bad guy. But what is not ambiguous is that the Palestinians have rights that are rejected. It would have been very easy to make a polemical movie because the oppression is so, let us just say, ugly. Imagine having someone in the movie say, as I heard in the Knesset when I was in Israel: "We ought to chase out 500,000 people. It would be less bother." But I would like to persuade people to walk out and think. To realize that there is no way to ignore the Palestinian reality and that, the way things are now, there is no way to find a solution. What is happening in Lebanon today is happening because the Palestinians were forced out of their country and went to Lebanon, where nothing started. If you solve the Palestinian problem, everything else in the Middle East will fall into place. But if you do not, whatever people do, it will remain an abomination that infects everything else.

Mitar Kadish: (The Czech writer who lived in Paris) has said that we are all biologically ready to understand before we judge. Personally, I am trying to judge before I condemn. ☐

COLUMN

How pain engenders greatness

By Barbara Amiel

Contrary to what history books tell us, Canada has not yet been discovered, as even a little travelling will reveal.

For a couple of weeks over the holiday season I spent time in that most cultivated and civilized centre of human existence, London, England. Conversation ranged freely: the Bombay film festival (cultural), shifts to the right in Berlusconi policy (timely), the last village in Graham's past (for benefit of the village's police).

Then, somewhere between the extreme brutality and the inevitable discussion of the latest sex scandal in British politics would come the polite question: Turning to us with concern, the resident diplomat at the table would on behalf of all present De Mito Duty.

"And what do you feel," he would say, a little less of air-raising between each word and as now, heaven help us, was the time to play into the lap of the padding for the sake of good manners, "is going to happen in Canada?"

The first time that happened was with the charming and distinguished editor of London's Daily Telegraph, William Deedes.

No man untitled, Deedes, a former cabinet minister in the Macdonald government, as Harroven and a highly incite man, was one of the few intellectuals in London to actually bring himself in our constitutional crisis in an attempt to understand what all the bother at Westminster was about. Still, it behooved Deedes to point out with becoming modesty and direct honesty that, frankly, no one in the British press or politics really knew anything of Canada. Was there some reason they should not? he implied.

The truthful answer, of course, was "No." There is no practical reason why any country in the world should bother learning about Canada when there are so many different and pivotal international issues that require attention. This is not a negative comment about our land. Being uninterested is not such a bad thing when business and civil unrest in a country's domestic or foreign policies are two of the most likely qualifications involved in making a country of importance.

All the same, after a half-dozen deplorable conversations in which I attempted to tart up Canada's significance, role and current economic woes, I found myself beginning to muse gaus-

ingly on just why it is that our country has made so little impact on the world—in spite of our own delusions about the perception of Canada as a great peace-maker, great resistor and generally significant diplomatic force—which it isn't.

The answer, I after the following thesis:

Canada is a land that has eschewed the extremes of human existence—both the sublime and the apocalyptic. And it doesn't appear possible, also, to have one without the other.

We have built neither the Bosphorus Walls nor the Galap archipelago. The closest this land has come to experiencing the horror of the human condition was probably when a bunch of Canadians faced the slaughter of Duges which it is my, except for those Canadians who went west overseas during the wars, this land has never experienced real devastation.

'Canada has attracted unadventurous people—those intrigued by challenges chose the United States'

It is not a cheery thought, but it does seem that if you cut off the bottom of human experience you generally miss out on the top—the accomplishments of life. One witness we have had in the 1980s, who had a Harvard degree and had given the world Jeffersonian democracy. But, although one wishes it were not so and although it might not be, the price tag for Michelangelo's David and the sublime existence of Italy's Red Brigades, Louisbourg's extraordinary Heritage estate, chosen by just with the Galap and Jeffersonian democracy associated with the moral calamity of slavery.

In fact, the paradox of the American experience may be the best illustration of this curious state of affairs: The United States is the single member of the civilized world where, for the longest time, the very top and bottom of the human situation occurred. Jeffersonian democracy was the most unadventurous liberal concept the world has seen. It raised civil liberties and human dignity to unparalleled heights. Yet, at the very same time, the United States was the last country in the civilized

world that held on to and perfected, as a matter of fact, the abomination of slavery.

It is more speculation, of course, to ask whether one necessitated the other. Or whether a country has to have Hitler in order to have Wagner. But empirically speaking, there seems to be no exceptions to that unadventurous equation.

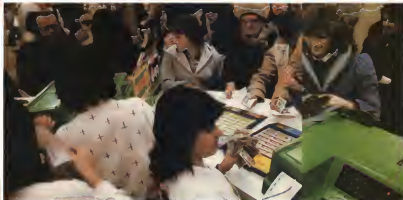
Canada has neither the Statue Chapel nor the Gulag. We have the Royal Ontario Museum and the National Film Board, and have had the Japanese internment camps. This is the middle ground of human existence.

As to why we have developed this way, well, who knows? Canada is an immigrant country, and most often we have attracted people whose priorities are not very adventurous. Those intrigued by challenges chose the United States. This country's western frontiers were opened up by the government and the railway, not by rugged individuals. There may be some very accomplished exceptions to that, but, by and large, they are the exceptions that prove the rule.

Canadians are attracted by consensus and compromise. Dissent and individualism, which fuel the extremes of human endeavor, are not national characteristics. The result is a certain leveling of existence. Whether it is worthwhile for the individual to decide. It may be accurate to say that life without the Statue Chapel is no life at all, and blood and turmoil and angst are a worthwhile price for victory—but reasonable either the young or live in Canada, which is much the same.

At the end of my lunch with William Deedes, he turned and asked a fellow from the London School of Economics how it was possible that Canada, with the kind of natural resources and wealth that it has, could have the kind of default it had? I kept quiet, but it seems to me the answer is that we have the kind of government we have and the kind of society we are. We are talking all sorts of liberty rather than racking the boat. If we transferred our government to the United States, we would manage to accumulate our deficit with even smaller resources—but without the brutality that marks Alaskan life.

Our middle ground may be a duller ground. It may never decide the international scene. But it produces a pretty marvellous life. One worth pursuing. You see, it's true. Travel not only broadens the mind, it may even narrow it.



Lines of lottery players in Toronto's Union Station (above); workers snuffing up a Winnipeg draw; a Canadian midwinter lottery

COVER

THOSE CRAZY LOTTERIES

By Robert Miller

The national dream last week took the shape of a Lotto 6/49 ticket, a flimsy slip of paper with six numbers printed in purple ink. It only cost a dollar, but it was potentially worth more than \$13 million. It promised an escape into a fantasy world of vast wealth and it unleashed an unprecedented epidemic of midwinter lottery fever across Canada. It also reignited old debates about the morality of official gambling. And, after saturation coverage in the media, the contest generated a near-frantic demand which caused at least one senior dream merchant to ask whether lottery organizers had gone too far with their game. Ontario Recreation Minister Reuben Barris, responsible for the province's lottery corporation, called for a cooling on jackpots. Declared Barris: "If you have won \$5 million, what are you going to do with the next five?" Judging

by the lottery hordes, millions of Canadians, including many first-time ticket buyers, hoped for a chance to find out.

By the time exhausted Lotto 6/49 agents across the country switched off their computer terminals and staged

The dreams of wild spending sprees fade, and most winners pay mortgages and put the money in the bank

selling tickets on Saturday afternoon, an estimated 13 million aspiring millionaires had risked the staggering total of \$67,699,022 in the hope of scooping a pool that had been building steadily for five weeks. The buying binge got a strain on lottery officials but a smile on the faces of most provincial politicians

The reason: roughly 30 per cent of the money wagered will find its way into government coffers or good-works projects, including sports facilities and cultural programs.

The game itself was disarmingly simple to play, as long as the participants had the patience to queue for as many as three hours to reach a sales desk. For every dollar they wished to bet, players chose a different combination of six numbers between one and 49, marking them on pre-printed cards which were fed into computers. But the odds against watching the first six numbers—2, 13, 26, 31, 44 and 46 (a seventh bonus number was 60)—picked at random in Saturday's draw were ear-splitting, at 13,983,816 to 1.

While a nation-wide TV television audience kept its collective fingers crossed for luck, host Tim Gossney awaited a \$25,000 automatic selection device imported from France. It began to rotate, tossing around colored rubber balls

numbered from one to 49. Then it rapidly ejected seven of the balls, and the draw was over. Two hours later, weary lottery officials announced that a computer scan showed that only one ticket, bearing the six correct numbers had been sold. The ticket, bought in Ontario, was worth a whopping \$13,983,816.60—the biggest single prize in Canadian lottery history.



Lotto 6/49 officials later made televised appeals to the winner to write his or her name and address on the back of the lucky ticket, to refrain from discussing the matter with anyone and to call the Ontario Lottery Corp. for further advice. Under lottery rules, major prize winners must be identified publicly, and there was concern for the security of the nation's newest multimillionaire. Altogether, there were 1,084,755 winners Saturday, the vast majority being players who won \$50 by picking three of the seven numbers. There were also 16 second-place tickets sold, worth \$413,650.40 each. Next week Lotto 6/49 begins another pool with a maximum jackpot of \$500,000.

Spending: Government-run lotteries and instant multimillions have been part of the Canadian social fabric for more than a decade, and total spending on the 15 different games offered by the various government lottery corporations has climbed to more than \$1.8 billion a year. Every week there is a handful of big winners, most of whom collect their prizes, pay off their mortgages, put the balance in the bank and return to relative if comfortable anonymity (page 17).

But last week's Lotto 6/49 excitement, because of the gigantic prize, was startlingly different. Virtually a national attack of feverish-induced dreaming Everywhere, it seemed, otherwise down-to-earth people were wishing their way through bitter winter weather, talking about what they would do when they hit the jackpot or laughing at themselves for becoming caught up in the lottery craze. Bold Winnipeg art dealer Alan de Boer, who bought his ticket at the Blooming's Flower Pot, a favorite shop in the city's convention cen-

tre: "I was standing in line and saying to myself, 'This is unbelievable. It is against my nature.'" For his part, Halifax accountant Peter Lloyd, 40, who seldom buys a lottery ticket said he would "run away" if he hit the jackpot, although "the odds are horrendous." A centimeter away, Vancouver law student Penny Pearson, who bought six tickets for herself and six for her parents, acknowledged, "I think most people know that their chances of winning are very small."

Many Canadians agreed with Barris that the jackpot was too big. Finance Minister Jacques Parizeau of Quebec, the province that leads all others in lottery spending with more than 40 per cent of the national total, declared: "We should cap the prize. It creates too much public excitement, and tickets are bought by many who cannot really afford them." Residents of The Toronto Star, responding to a request to place in their views, voted 1,003-5,243 in favor of a \$10-million ceiling, with the extra funds going to secondary prize winners. And there were some players who did not want to win the entire jackpot, even while hoping for a sizable cheque. Said Halifax subfactor Graham Gladwin, 50, who spends an average of \$20 each week on lottery tickets: "I do not think I would want to win \$13 million. Nobody needs that kind of money. I would be dead in a month." Centennial Driveway grandmother Nel Cavendish, who waited more than 200 hours to buy a single ticket, "I would lose my friends and always be worried about my grandchildren being kidnapped. The second prize will be quite handy."

Built for most lottery players the first prize was the main attraction. Quebec Premier René Lévesque, who spent \$6

or tickets, caught the countryside by storm. "We all have a right to dream," he said. Across Canada his famous dreamers banded into office pools to buy blocks of tickets and thronged to variety stores and other ticket outlets to place their bets. They devised elaborate systems for picking their six-number combinations, calculated one day's interest on a \$10-million bank deposit (\$1943.84 per day at six per cent) and joked about the problems of the rich.

Said Toronto advertising salesman Bruce Forsyth, who left on a Florida vacation just before the draw: "Lotto, \$30 million just is not what it used to be. By the time you have bought these or four machines, a paragraph of fact and a dream's halfway, you are right back in trouble with the bank."

Gambling. For some Canadians, attending several churches, the lottery craze was more worrisome than amusing. Anglican Archbishop Harold Muston of Fredericton, for one, reiterated a ban on all forms of gambling sponsored by churches in his diocese. "It is a very, very wrong use of values," he said. And Robert Lindsey, a senior staff officer with the United Church of Canada, concurred, adding that his church has advised its members not to buy lottery tickets and to refuse any grants available through lottery funds. Lindsey is also a member of the Toronto-based Inter-Church of the United Church of Canada, which includes Baptists, Anglicans and members of the Salvation Army and the Christian Reformed Church. "Lotters do not have a group mission, they appear to whatever is arrested in our personal development—a Glendora-Walter Mitty syndrome," he declared.

The Roman Catholic Church continued to hold the view that moderate gambling is not a sin. Catholic charities raise millions of dollars each year through bingo games, raffles and lotteries—including the popular Pot 'o' Gold Lottery (top inventory price \$300,000), which is organized by the diocese of St. Roch, St. Mary, Que.

There were lay critics as well. Igor Kopynsky, a York University psychologist who has done extensive research on gambling, said that the Lotto 6/49 was "the latest in a series of new ways of anything but it." Added University of Waterloo philosophy professor Arthur Shiner: "The whole impulse to improve one's life through gambling is dubious. It is a kind of magical thinking."

Edith Saunders of St. Catharines sold lottery tickets as a volunteer for several years, but she, too, expressed concerns that some players spend more than they can afford. Said Saunders: "I see people [buying tickets] who look as though they

do not have very much money and I cannot help but think that maybe they would be better off buying food." But where Catholicism of Montreal disdained these concerns, He spent a week's salary failing to win Lotto 6/49 in the Jan. 7 draw and said: "Lotters like this are the only way the little guy can dream about a better life. People who say we have gone big-wild and think we are irresponsible should remember that."



Murray: the market may be saturated

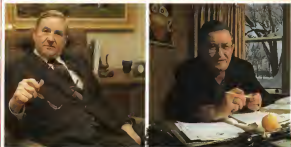
The Interprovincial Lottery Corp., the organizer of Lotto 6/49, argues that the game itself is a very entertaining for the masses. Said Christopher French, the secretary-treasurer: "We and the chances to dream are the same for some people play." The extraordinary size of the jackpot caused last week's stampede. \$89, Robert Scott, a spokesman for the Montreal-based At-

tantic Lottery Corp., contended that at least part of the ticket stampede could be traced "to the microwave blatz. We're buying lottery tickets because we are not doing much else," he said.

The Lotto 6/49 fever developed with astonishing speed as the jackpot mounted. Under the game's format, if no player has chosen the first six numbers drawn (several prizes are awarded for five of the six so-called regular numbers plus the bonus number drawn every week), then the amount of the jackpot—still a fixed 39.9 per cent of the prize pool—is carried over until the following Saturday. The last winner won on Dec. 2. As the weeks passed and the jackpot grew, interest mounted exponentially until, for the Jan. 7 draw, a total of \$81,876,074 worth of tickets were sold. When the top prize remained unclaimed, last week's stampede began. At the same time, as the number of tickets sold climbed, so did the odds against anyone winning the top prize without having to share it. That prompted George Robles-Thomson, the London, Ont., editor of *The Lottery* and a former lottery lawyer, to calculate that on \$50 million in sales the odds against anyone winning the Lotto 6/49 pool were about 138 million:1. By contrast, the odds against lightning striking anyone are 2 million:1.

Despite the slight chances of winning big prizes, however, and even with rate breaks and bonuses offering much higher rates of return, Canada's government-run lotteries sell more tickets every year. Altogether, there are four regional distribution organizations: the Atlantic Lottery Corp., Loto-Québec, the Ontario Lottery Corp. and the Western Canada Lottery Foundation. Among them, in the 12 months ending in March, 1983, they sold a total of 4.3 billion worth of tickets on games offering a range of prizes at varying odds. The gamblers' best prospect for winning a million-dollar prize was with the nationally sold Super Lotto, where buyers of \$10 tickets have a \$60,000:1 chance every month. The worst odds against winning the top prize are those offered by Lotto 6/49 (see chart).

The Canadian lottery business began in 1968, when Montreal Mayor Jean Drapeau introduced his so-called voluntary tax, a draw to help defray the costs of staging Expo '67, held a year earlier. The Quebec Court of Appeals ruled that the Drapeau program was illegal, but in 1969 the federal Liberal government amended the Criminal Code to legalize lotteries. The first major national lottery began in 1973, offering million-dollar prizes at \$10 a ticket, with the bulk of the proceeds intended to help pay for the 1976 Montreal Olympic Games. With the change in the law, Quebec moved quickly to establish its own lot-



Saul (left) and Neil Murray: favoring smaller jackpots and a continuing concern that others create a wrong sense of values

tery organization Loto-Québec; in turn, helped Ontario to establish its system in 1975, which was launched with the popular dollar-a-ticket Wintario game. By 1979 the Atlantic and the western provinces had their own organizations, and the pieces were in place for a national operation.

Then, in 1978 Ottawa passed its earlier hands-off policy and announced that it would become directly involved in the lottery business. But the province emphasized that it and in 1979 they were in agreement with the Conservative government of Joe Clark that Ottawa would leave the lottery business to them—in exchange for an annual

transfer payment now estimated at \$200 million to the federal treasury. Now the Interprovincial Lottery Corp. runs Super Lotto, the weekly Promax and Lotto 6/49, while the regional organizations manage their own games.

The introduction of lotteries also sparked complaints that governments were ignoring their responsibilities to they established to assist in a new form of revenue, and last week's surge of ticket buying rekindled the criticism. Said Murray: "A government that finds itself having to depend on income from lotteries is in the last stages of decay."

But Norman Morris, president of the Ontario Lottery Corp., had a very different opinion. His own company reported a net profit of \$58 million to the Ontario treasury in the year ending March 31, 1983, based on total sales of \$484,971,660. Ontario, unlike most provinces, does not include lottery profits in its consolidated revenue fund, but uses the cash to underwrite community projects and cultural programs. The

new Bay Thompson Hall in Toronto, for one, received \$12.5 million in lottery grants—fully one-third of its construction cost (Saul Murray, in defense of the corporation's advertising program [Orr] philosophy avoids both the environmental of responding and the promotion of excessive expenditures).

Ontario statistics showed that many lottery players—20.6 per cent of the total—live in households with an annual income of between \$30,000 and \$50,000. The smallest group of players, 1.9 per cent, come from households with less than \$10,000 in family income. Still, some critics, including members of Gamblers Anonymous, a group that helps compulsive gamblers to break their addiction, argue that massive prizes such as the one offered by Lotto 6/49 prove irresistible to poor Canadians.

But Canadians have become a nation of gamblers, especially since the advent of lotteries. In 1983 they wagered an estimated \$3 billion on lotteries, raffles, races and licensed casinos, which are largely an Alberta phenomenon. As well, many people still place illegal bets, made with bookmakers, who offer the best return—on average, 65 per cent of the total value gambled. The weekend's Super Bowl game (page 4), between the Washington Red-

Searching for the right numbers

Name of lottery	Ticket price	How often	Top prize	ODS of winning top prize
A-Plus	\$1.00	weekly	Jackpot	1:3,265,261
Loto 60	50	weekly	\$20,000	1:326,526
Western Express	1.00	periodically	variable	2:246,381
Mini Lotto	50	weekly	\$750,000	1:938,260
Inter Lotto	2.00	biweekly	\$250,000	1:1 million
6/36	1.00	weekly	Jackpot	1:1,345 million
Instant Games	1.00	periodically	\$75,800	1:240,000
La Quinellissime	variable	daily	1:200 times bet	1:1,800
Winnipeg	1.00	weekly	\$180,000	1:1 million
Lottaria	1.00	weekly	Jackpot	1:333 million
Western Express	1.00	weekly	\$115,800	1:366,000
Match 3	1.00	semi-weekly	\$10,000	1:246,380
Super Lotto	10.00	monthly	\$1 million	1:500,000
Promax	0.50	weekly	\$50,000	1:172 million
Lotto 6/49	1.00	weekly	Jackpot	1:13 million

*Odds for 1 week



Weekend ticket buyers: Jean Chagnon began his lottery dreams, and now Rendi Lefebvre has dreams of winning as well.

COVER

ships and the Los Angeles Raiders, will generate millions of dollars worth of bets in Canada.

But lottery officials do not know how much more Canadians will spend on games of chance. Compared to other countries (page 18), Canada's lottery spending—more than \$60 per capita annually—is not large. Japan spends more than \$300 per capita each year, and in Britain the figure is \$200. But in Quebec, which already accounts for more than 40 per cent of the country's legal gambling turnover, lottery officials believe there is little room for growth. Said Loto-Quebec Vice-President David Clark: "We feel we have reached the saturation point as far as straight lotteries go. If we pushed any harder, we would create some socioeconomic problems." Still, expansion-minded lotteries could soon have another technological advance: video terminals that combine the lure of cash prizes with the fascination of videogames. Test marketing of that new lottery mode has already begun in the United States.

For their part, U.S. citizens living in border states were less interested in these new lotteries last week than they were in Loto 6/49 and its huge prize potentials. So many Americans crossed the river from Detroit to buy tickets in the Windsor area that U.S. Customs began cracking down, enforcing 1963-century tariff laws that prohibit the importation of foreign lottery tickets. Cas-

ino officials seized and shredded a limited number of tickets—without knowing the numbers—but they held other tickets which then became the property of the U.S. government. That development raised the possibility that Washington might sue the Canadian jackpot. And because the U.S. government, unlike Ottawa, bans lottery winnings (at rates as high as 30 per cent), some Americans who played Loto 6/49 last week vowed to move to Canada and ignore the U.S. tax if they won. Among them was Michael Mack, the director of importation and control at U.S. Customs in Detroit. "The Yankees are an excited about Loto 6/49 as the Canadians," said Mack. "We are not taking them at the rate of 10 to 40 a day." Mack added that he intended to ask a Canadian court to buy him a ticket. "If I win, I will move to Canada to avoid paying tax."

Wastefulness: The lottery stampede caused concern among some Canadian law enforcement officers as well. Police in Vancouver worried players that jackpot winners and their families were vulnerable. Said Const. Edward Vennema: "The winner becomes a high target for anyone." In response, lottery officials advised that future big winners should consider hiring a bodyguard and a business manager to protect both their prizes and themselves.

There is no doubt that life will change radically for the winner, or winners, of the biggest lottery pool in Canadian history—unless the rictor was already a

millionaire. In that respect, the lucky Loto 6/49 player in the current round may be different from most big winners of the past. York University's Kopynsky reported that a recent survey of Canadian lottery winners revealed that few of them dramatically altered their way of life after suddenly becoming rich. Only seven per cent quit their jobs—something Ontario's Bario, for one, vowed to do if his ticket won. At the same time, only a scant 20 per cent splurged on a major holiday. The vast majority of winners prudently banked their winnings or paid off their mortgages—here traditional economic dogmas of Canadian families. There are exceptions, however, including Gerald Roberts of Springfield, Nfld. Roberts was his province's first instant millionaire, winning Loto Canada's top prize on June 17, 1978. He decided against investing the money and by the following February he had spent half of it after acquiring a yacht, a Cadillac, some construction equipment and shares in his favorite hotel and bar. Within a year of winning big, however, he died of cancer of the liver. He was 32 years old, a winner and perhaps a victim of the lottery game.

Hot Spots: Woodworth in St. John's, Mark Clark in Halifax, David Foster in Fredericton, Jonathan Moss in Montreal, Ann Fergusson in Toronto, Andrew Widelock in Winnipeg, Suzanne Bouché in Calgary, Heather Skelton in Vancouver and Denise Cochrane in Vancouver.

The gains and losses of the newly rich

Last Nov. 22, Joyce Haskley, 42, of Lower Sackville, a Halifax suburb, was watching television when she learned that she had won \$343,343.80 in the weekly Loto 6/49 draw. She reacted by standing up, putting on her coat and calmly going out with a cousin to play bingo, as she had planned. For his part, Charles Moss, 37, of Sudbury, Ont., was equally unbothered when he won \$419,576.15 in Ontario's Loto 6/49 draw on Jan. 7. Moss said he planned to reward his wife with a demanding job as a nursing supervisor in Ingersoll South Perth, Ont. Haskley and Moss shared the low-key response of most Canadian lottery

winners: the high odds and win big in lotteries. In the decade in which lotteries have flourished in Canada, most big winners tend to be cautious, foregoing fast cars in favor of Portofino, safe investments and life as usual, according to officials from the five provincial lottery corporations. Haskley, for one, is still working at a \$14,000-a-year job in the parts department of an appliance company. "Nobody needs that much money," she declared. "We are hard-working people and do not expect a whole lot out of life. All of a sudden you have half a million dollars and you are asked it will change you."

While many ticket buyers dream of wild spending sprees if their number is drawn, the fantasy disappears with the payoff for the few big winners. Lottery officials say that even \$1-million winners keep their jobs, initially at least. "I love my job. I am not a home person," Haskley said. "How could I change my life like that?"

Indulgences: That does not surprise H. Roy Kaplan, a money manager at the Bay of Islands of Technology. He has interviewed hundreds of lottery winners in Canada and the United States during the past 12 years, producing a 1979 report on \$1-million winners for Loto Canada and a 1978 book on lottery winners. Kaplan believes that most big winners eventually develop more affluent tastes. His research suggests that more than two-thirds of the \$1-million winners in Canada leave their jobs a few years after becoming rich.

A few unlikely prize winners do find it difficult to deal with unexpected wealth. Ronald Tobin, of Peterborough, Ont., was forced to replace a disabled

for himself and each of her two eldest children. As well, she also plans to install a swimming pool for her 13-year-old daughter. But she predicted that the spending will stop at that. If the Haskleys take a holiday this year, they will drive to California.

Advisors: Kaplan and the lottery corporations agree that in such habits, as in spending, big winners are not likely to change quickly. David Spier of England, a millionaire because of an inheritance and a \$500,000 lottery win last May, is not even considering stopping aside as manager of the auto body shop he owns. "Part of my blood is there, you might say," declared the 42-year-old

ry pension 32 months after he won a \$100,000 Western prize in 1980. He said that he spent the bulk of the money on groceries, beer, pizza and Chinese food. Financial advice may have helped Tobin cope better, but most winners find themselves feeding off unwanted financial advisors, investors and people with hard-luck stories. Not everyone withstands the pressure. Corinne Chaney, 26, of Edmonton last about \$400,000 of the \$1 million she won in a Loto Canada draw in August, 1978, when she took the advice of some acquaintances and invested the money in a used car lot. Eighteen months later she and her husband had to close the com-



The Haskley family: new cars and a pool, but the fear that squanders wealth will change them.

business. "I see people there every day who I have seen for years. That means a lot to me." At the same time, Chaney's wealth has not brought him to become big spender. He still lives in his \$250-a-month one-bedroom apartment. All his lottery winnings are in various investments at a trust company. But Kaplan believes that most big winners eventually develop more affluent tastes. His research suggests that more than two-thirds of the \$1-million winners in Canada leave their jobs a few years after becoming rich.

A few unlikely prize winners do find it difficult to deal with unexpected wealth. Ronald Tobin, of Peterborough, Ont., was forced to replace a disabled

wealth, business and longer town. The car lot's failure did not leave Chaney destitute, but it did cause a nervous breakdown, and the experience has left her bitter. Said Chaney: "I do not trust people anymore—that is what winning the lottery did to me." Next month the Ontario Lottery Corp. hopes to prefer its winners by introducing a booklet on how to avoid financial advice that will help them to avoid such financial pitfalls. Despite the negative experience of a few winners, Kaplan suggests that money can buy at least some happiness. Added Joyce Haskley: "It is so relaxing to know that you are never going to be short of money anymore."

—PATRICIA ELIYAH in Toronto.

Rolling for millions around the world

The reindeer lottery fever that swept the nation in the past two weeks, rising with the growing jackpot in the Lotería-490 draw, is a rare occurrence in Canada, but it is now a familiar phenomenon in most parts of the world. In Spain, for one, the Dec. 22 drawing of the Lotería de Navidad is an avidly watched spectacle that brings more other activity in the country than a football match. Last year alone the 320th annual drawing of the lottery drew Spaniards in front of their television sets for three hours, while charities from a Madrid orphanage sang out the winning numbers for the major prizes. The reason most of the viewers were hoping to win *El Gordo* (the fat one), the main prize of 5,000 million pesetas (\$17 million), the largest jackpot pool in the world. Even the relatively high cost of the tickets, at 2,500 pesetas each (\$19.04) did not discourage the Spanish quest for the prize.

Problems: The Christmas Lottery has filled the dreams of Spanish gamblers since 1763 when Charles III started it to raise money for hospitals. But lottery fanatics now exist in many other nations as well. With a few exceptions—mainly fundamentalist Muslim countries such as Iran—governments everywhere hold out the promise of instant riches for a few, while collecting quick revenues from many. About two-thirds of the world's government-run lotteries offer last-draw windfalls in draws ranging from number games to picking the winning horse in racing to the Irish Sweepstakes. And while the Spaniards have the single largest prize, the Japanese are the biggest spenders on lotteries, each gambling an average of \$220 yearly, more than three times the average Canadian spending.

The growing acceptance of lotteries has produced an exotic array of new games and hard times for an older one—the Irish Houghli's Sweepstakes, still the most famous lottery in the world and one familiar to generations of Canadian gamblers in North America. But the proliferation of legal lotteries in the United States and Canada offering million-dollar prizes has dimmed the lustre of a game begun in

1890. Ten years ago the top prize was worth 300,000 Irish pounds (\$335,000), now it has shrunk to 125,000 Irish pounds. "The worst thing they ever did was to legalize lotteries in North America," declared Gilbert O'Farrell, the fund's chief executive officer.



Pizzoni looks at Anthony Pizzoni, winning poverty

The lotteries produce significant revenues for state, provincial and federal treasuries. Seventeen U.S. states now run lotteries, and another 17 are considering, starting their own games. In Maryland, for one, the lottery is the state's fourth-largest source of revenue. And in Pennsylvania, where the lottery is an arm of the state revenue system, officials are predicting a net profit of \$300 million (U.S.) from \$1.26 billion in ticket sales this year. One of the state's best investments is to take a share in the monetary of last September's accumulated jackpot of \$18.1 million. In the Commonwealth of East-

ern Europe, the enticement of a large return for a small wager is equally alluring. Soviet players must conceal themselves with prisms that include false antennae, earplugs, binoculars, refrigerators and art reproductions, but Polish ticket buyers have a chance to win 60 per cent of all the tickets bet in the country's weekly *Dzisiaj-Lotek* (Tonight Lottery).

For Canadians who are anxious to test their luck on the bewildering array of international lotteries, Toronto-based Bryan Brown offers advice in his book *The World's Worst Lottery Guide*. According to Brown, players in Panama get the best return for their money, with that country's *Loteria*. Popular paying out 75 per cent of the money collected from ticket sales, India's weekly lottery has one of the world's worst return rates, paying out just 30 per cent of the take.

Payouts: On a weekly basis Australian lotteries rank near the top of preferred games, offering big prizes and good odds. The *Tattletale*, for one, awards a grand prize of \$1.7 million (Cdn) each week in its Saturday night draw. Officials of the *Tasmanian Sheep Countdown*, a private company that runs the games on behalf of the Victoria and Tasmania state governments, offer a proven formula for any successful lottery steadily expanding the jackpot when no one wins the weekly prize. In Victoria the lottery returns 60 per cent of the take in prizes, and the government uses its one-third of the profits to fund hospitals and charities.

The lotteries are so popular that Australian wedding receptions sometimes pause while the master of ceremonies reads out the winning numbers in that week's game. Playing the lotteries is a largely inexpensive habit in such prosperous countries as Canada and Australia. But in poorer nations, such as those in South America, the games are national pastimes which are often played in great desperation. For the likes of a poor Brazilian farmer who gained \$1.5 million in the national prize last August, the slight chance of a big win is still one of the very few ways of averting poverty.

—JAN WALMSLEY in Toronto.

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A testy assault on medicare

By most standards, Canada's multi-tier system is indubitably one of the world's best. But the national outcry over the program reeled by the country's politicians and doctors a recent month has created a widespread impression that the system is deteriorating rapidly. Then, last week federal Health Minister Manoj Singh blazed provincial capitals to pledge that she will protect the sick and disadvantaged from the threat of fees imposed outside the medicare framework. At the same time, her provincial counterparts warned of worsening health care, and the nation's doctors predicted that hospitals will become overcrowded and

by doctors and the imposition of two provinces of daily hospital user fees—on heightened prominence in December, when Singh introduced the Canada Health Act in the Commons. Under it, Ottawa would be able to defect from its medicare payments to the provinces the amount that the provinces allow in extra-billing and user fees. At first, that looked like a popular election issue for Prime Trudeau's Liberals, because they assumed that the federal Conservatives would support Terry Pratten's government in opposing the policy. But Brian Mulroney's Tories announced that they will, in fact, support Singh's bill. Since then, the

national medical bill ballooned from \$17 billion in 1975 to \$59 billion in 1982—an increase of about 70 per cent in health costs compared to an increase of roughly 35 per cent in the consumer price index over the same period. As a result, many medical practitioners demand extra-billing and user fees by contending that they will help to control medical costs because they help to discourage unnecessary use of the system. Opponents of extra charges counter that they discriminate against the poor. Currently, all but two provinces—the exceptions are British Columbia and Quebec—permit extra-billing by doctors within their health plans or will



Burgery at a Toronto hospital: an outcry over one of the world's best health systems, but medicine is here to stay

that the country's best physicians will emigrate unless they are permitted to set their own fees. The exchanges had the ring of crisis. They were also, according to many observers, hollow warnings. Said Ernest Sheehan, a Prince Albert hospital administrator: "I do not think the system is in jeopardy. Medicine is here to stay."

The current debate over medicare, which involves complex and conflicting issues, will likely continue for months. The most visible issue—extra-billing

Trudeau government's equals to save medicare has gradually taken on the character of an exercise in political shadow boxing.

But there are reasons for genuine concern over the functioning—and the cost—of Canada's 25-year-old medicare system. Health care costs the country \$4 cents out of every dollar in national output, which is considerably less than the 19.5 cents per dollar that largely privately paid health services cost in the United States. Still, Canada's na-

tionally reimburse patients whose doctors have opted out of the system. Only two, British Columbia and Newfoundland, have agreed to impose daily hospital user fees (user fees are permitted in Alberta, but no hospital charges there).

Whether or not the extra charges improve the economics of medicine by acting as deterrents to abuse is a subject of debate even among doctors. "There is a limit to what taxpayers should pay," said Dr. Augustin Roy, president of the



Muriel Duggan (left), a St. Boniface advocate of preventive services; Alberto's Kessel with Régine, a family man

Quebec Corporation of Physicians, whose members operate in a province where extra-billing is discouraged and user fees are restricted to patients requiring prolonged care. "Extra-billing does not endanger our medicare system, it strains it," he said. Others, like Muriel Duggan, the president of the Manitoba Association of Registered Nurses say that instead of arguing over user fees and extra-billing, Canadians should also look at how money is spent. "Too much is going to high tech care and too little to preventive services," she said.

Another underlying issue in the debate revolves around government funding. The provinces argue that as medical costs soared, Ottawa has steadily cut back on the share that it pays. The provinces also claim since 1977 the federal share of health care spending has declined to 40 per cent from 50 per cent, although Ottawa denies these allegations. Dedicated New Brunswick's Charles Gallegher last week, when provincial health ministers met in Toronto to discuss the new health act. "We all have a problem with the act, and that is the financing of the health care system. This act has more to do with penalties than it does with the extra burden put on provincial treasuries," added British Columbia Health Minister James Nelson. "I have asked the federal minister to identify for me any person in the province of British Columbia who is being denied medical care for want of financial means. That has not been forthcoming. The only reason we feel the Canada Health Act is being introduced as a political ploy for the incoming federal election."

Doctors have always had the right to charge their patients more than the

indicates rate. Some provinces make it easier for doctors than others. Quebec allows to reimburse patients for bills submitted by doctors who charge more than the provincially established fee. But in Alberta, where roughly 35 per cent of doctors impose extra charges, a physician simply bills the province for the authorized fee and the patient for any additional amount.

Hospital user fees are significant only in British Columbia and Newfoundland, which charge \$5.50 per day and \$5 per day respectively. Such charges—sometimes known as "overnight" fees—were generally accepted until last March when Alberta Health Minister David Russell announced that hospitals in his province would be allowed to charge patients \$25 a day. No hospital has taken advantage of the ploy, but Russell's announcement led Do-

ggs to launch his current crusade. The Conservatives swiftly developed a strategy to prevent Singh from securing a major political victory with her campaign. Opposition Leader Brian Mulroney put the plan in motion from Nova Scotia, where he was campaigning for a Conservative seat. In July he quietly appointed Manitoba MP Jake Epp as health critic in his shadow cabinet and asked him to work on the problem. When the Conservative caucus met in September, Epp warned his colleagues that the Liberals might try to embarrass them by introducing a bill late in the fall to penalize provinces that allowed extra-billing or user fees. Epp predicted that Singh's tactics would attempt to force the Conservatives either to speak out against Terry Pratten's government that allowed such charges or to abandon their commitment to

The Price of Health*

	APPROPRIATION	CANADIAN MEDICAL	THREE-DRUG	REVENUE A BED
Newfoundland	\$154.21	\$254.00	\$62.42	\$287.16
P.E.I.	204.10	409.35	93.52	297.30
Nova Scotia	261.29	376.12	66.60	327.74
New Brunswick	182.61	422.22	52.44	305.44
Quebec	190.00	369.60	52.31	312.82
Ontario	189.80	297.16	103.20	360.90
Manitoba	229.00	407.40	101.16	276.80
Saskatchewan	212.00	336.00	81.16	343.22
Alberta	211.00	420.00	89.50	364.14
B.C.	272.21	467.00	111.90	426.10

*The approved user provincial medical plan. Where there is no medical plan, charges may be higher. Do not cover insurance or other associated costs. Source: Approximate figures by Dr. J. G. G. and Dr. J. G. G.

efficient. "They did exactly what we thought, it exactly the time frame we thought," said Mulroney.

Considering that extra-billing and user fees accounted for not more than \$110 million out of Canada's total \$20-billion medicine bill, the issue, said Rye, was simply not worth a major renegotiation with the government. As a result, at their September meeting the Tories tentatively decided that they would back Rye's. "And then we waited," recalled Mulroney. Rye then tabled her proposed Canada Health Act on Dec. 15, and two days later Rye emerged from the Tories' weekly cabinet meeting to declare that the party had no objectives "in principle" to the bill.

Rye's remaining opponents are the provincial governments and Canada's doctors, many of whom privately admit that the medicine debate has tarnished the image of their profession. "Doctor-bashing has become a favorite pastime," said Thomas Coleman, a Charlottetown surgeon. "We have lost public respect because the business of medicine has become a public issue." Health and Welfare Canada added to that concern last week when it gave out a report showing that the estimated annual income of the average doctor in 1982 ranged from \$120,000 in Prince Edward Island to \$125,000 in Alberta. As Harry Clarke, a Regina family doctor who recently stopped extra-billing his patients, said, "When you see people coming in who have not got jobs, you don't feel good about extra-billing."

The provinces also face a formidable challenge in trying to gain public sympathy. They are fighting to keep the federal government out of the health care field, which historically has been a area of provincial jurisdiction. But, declared University of Alberta health economist Richard Flinn, "For the taxpayer, who pays for the whole thing, it's just a family fight between levels of government."

The outcome of the current debate may well be decided—if only indirectly—at the polls. The Conservative provincial governments that are the targets of Rye's campaign clearly hope that Mulroney will win the impending federal elections and that the federal Tories will press more heavily on standards issues. Still, whatever outcome the federal Tories make, they have now served notice that they will defend the principles of medicine just as faithfully as the Liberals. The future of the system seems to be assured.

Reported by Carol O'Leary, with Kennedy Smith in Charlottetown, Bruce Stewart in Montreal, Patricia Roberts and David Abbott in Toronto, Andrew Nikolic in Winnipeg, Dale Elder in Regina, Shannon Bowers in Calgary and Diane Lachin in Vancouver.

The Hawkesbury takeover

Housed in a pair of three-storey, yellow-check buildings, the Hawkesbury and District General Hospital is modest in appearance. But in the past year the Eastern Ontario institution has become a source of pride to citizens and the object of national interest. With the help of a U.S.-based management corporation, the hospital now is run more efficiently, staff morale has improved and, for the first time in recent years, it has re-



McLaughlin: efficiency and profits

ported a \$309,000 profit. In April the hospital is scheduled to move into a new, \$14-million, 130-bed facility.

The advances were achieved after American Medical International (Columbia) Ltd. (AMI)—offspring of a giant California-based hospital corporation—took over administration of the hospital in Hawkesbury, an Ottawa River town of approximately 8,500 people about halfway between Montreal and the capital. AMI hopes to take on other failing medical institutions to demonstrate that private sector man-

agement works, saves taxpayers money and improves the quality of patient care.

With the cost of running health institutions in Canada soaring—total expenditures between 1975 and 1980 increased by 100 per cent, to \$14.4 billion—health ministers and hospital boards are scrambling to find ways of saving money. A year ago the Hawkesbury hospital's board decided to contract with AMI to take over administration. Under the hospital's contract, AMI took over day-to-day running of the institution while final authority remained with the board. A departure from Canadian traditions, the arrangement does not affect the hospital's eligibility for provincial funding or patients' coverage under medicine.

When AMI moved in, officials found an outdated management system, outdated financial statements and poor equipment. AMI promptly fired the small 116-bed hospital into the state of 130 hospitals operating in its province. That provided access to a centralized financial system supplying computerized information services, the advice of topflight specialists on subjects ranging from diet to accounting, and bulk purchasing of supplies and equipment.

AMI also supplied a 36-year-old Canadian-born administrator, John McLaughlin. He cut back on overtime and part-time staff, gave department heads responsibility for their budgets and taught them how to manage them. By making operations leaner and more efficient, McLaughlin eliminated the hospital's \$300,000 deficit and produced a profit. Chief dietitian Rhonda Shaffer said that the provincial change at the hospital is in the staff's attitude. "We were given control and responsibility of our departments," she said, "and the resources to run them professionally." Ontario's ministry of health reported that health care at the hospital has improved along with its financial position. A senior inspection team from the ministry recently gave the hospital a checkmark and found "improved methods and services in the past year with a positive influence on the quality of patient care."

In return for a 10-year contract, the hospital board pays AMI an annual fee of \$300,000, plus half of any surplus over \$750,000. But to date the surplus has been used to expand hospital programs and make staff Gerald Howe, president of AMI Canada, says that to break even his company needs to sign up another hospital, and it is actively looking for new Canadian customers.

—HILARY MACKENZIE in Hawkesbury



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ROYAL BANK





Loading gear for China in Vancouver; Zhao says opportunities require endurance

A visitor from Peking

All the trappings of an important state visit were evident this week for the Canadian fleet of Chinese *Freemaster Xiang*—and for good reason. After years of domestic turmoil and outward suspicion, China has been looking to the West again for trade and technology and could become the largest untapped market in the world. Those vast overseas prospects, along with China's obvious power in world politics, helped explain why Zhao was the first leader from any Communist country whom Ottawa, housed with an invitation to address Parliament. And, as he demonstrated last week in Washington, Zhao was ready to talk business.

But a growing number of Canadian businessmen is discovering that exploiting China's market potential demands skill and endurance. To Sidney Gluz, president of Lohat Beverage Co. Ltd., China's population represents an enormous threat for beer. On a recent visit to China, however, Gluz and other brewing executives encountered some unexpected obstacles to doing business in the Middle Kingdom. Peking, he said, will only permit foreign investors in breweries to take profit on export sales—but on domestic Chinese sales White Label's is still considering a venture in China, it is "down on our priority list," added Gluz. Canadian trade officials confirm that China has been a difficult market to penetrate, saying that competition has become increasingly stiff in recent months, as virtually every Western country tries to

take advantage of the new Chinese marketplace.

Still, some Canadian firms have succeeded. Canadian banks have established offices in China. Alberta-based Ranger Oil and Petro-Canada are jointly exploring for oil with British Petroleum in the South China Sea, and Canadian and de Havilland are laying aircraft parts in China. As well, Pratt & Whitney Aircraft, a manufacturer of airplane engines, has been discussing a joint venture with the Chinese for a co-production scheme. And in Minneapolis, Oct. the Great Wall Machinery Co. has set up a plant to handle Chinese machine tool sales in Canada. Finally, federal external affairs officials have scheduled 18 trade fairs and meetings alone between Canada and China this year.

In Ottawa, Zhao's Canadian hosts expected him to mention—if not complain about—the huge surplus Canada enjoys in trade with China. Last year alone Canada exported about \$1.2 billion worth of goods to China, more than half of it wheat. China, by contrast, sent only about \$250 million worth of goods to Canada, much of it textiles. Both sides share one goal; each wants to trade manufactured goods in future.

The basketlike pat-

tern of the Chinese premier's North American trip became clearly evident in Washington, where he met President Reagan and Congressional leaders. Reagan and Zhao signed agreements regarding co-operation in science and technology and in the framework for U.S. investment in China. They did not, however, find harmony on U.S. nuclear power sales to China because Washington's insistence on safeguards against using nuclear supplies to make explosives has apparently stalled an agreement.

There were some nonconcordant items on the table in both capitals as well. In Washington, Zhao requested Chinese objectives to further U.S. links with Taiwan, which still remains U.S. arms. And in Ottawa he and Prime Minister Trudeau were expected to announce whatever progress Trudeau has made with his disarmament initiative since he discussed it with Chinese leaders in Peking last November. At that time, China gave only general approval for the Trudeau proposal, and China's confirmation of the five nuclear weapons states. The Chinese position is that such a meeting should not take place until the United States and Soviet Union first reduce their own nuclear armaments.

After the meeting and an speech to Parliament in Ottawa, Zhao's itinerary called for visits to Montreal and Toronto—with a side trip to Niagara Falls—before stopping in Vancouver and Victoria on his way home. The cross-country provincial touring gave him time and meetings with provincial ministers, offered proof that Canada's relations with China have changed drastically since the Communists took power in that country in 1949. The *Pellegrin* Archives ministerial visit, however, was one just days before Zhao's visit. The papers show that then Prime Minister Louis St. Laurent refused in 1950 to establish relations with Peking instead, in a letter to Chiang Kai-shek's ambassador to Canada, St. Laurent was

wanted to "maintain the notion of non-alignment wherever it may appear." The Korean war then postponed any thought of Canadian relations, and Canada did not exchange diplomats with China until 1970. Now, Canadian officials anticipate another new opportunity-filled phase in Sino-Canadian relations, as China opens its economy to the world. "China has opened its door," Zhao said last week, "but will never close it again."

—JOHN HAY in Ottawa.



At play in a Montreal schoolyard; replacing an archaic educational system

Stirring linguistic passions

The threat of workers' hearings in the background seemed recently appropriate in at least some of the passions, politeness and educationists who gathered in the Quebec national assembly last week. While workers carried on with their renovations of the building, a commotion launched hearings into a controversial bill aimed at dissolving Quebec's 117-year-old educational system. Though most of the bill's critics agreed that the system needs to be changed, Bill 48 still promises to raise all the same stirring passions as did Bill 161, which made French Quebec's sole official language and once again anglophone fears for the survival of their language were at the heart of the debate.

The complex provisions of Bill 48 would transform the face of the Quebec school system, which, with more than one million students, is second in size only to Ontario's. Over the years the Roman Catholic and Protestant school boards have to some extent functioned as parallel French- and English-language educational systems.

To replace that archaic system, Bill 48 proposes to create a formal system of school boards along linguistic lines. At the same time, the bill would transfer many of the present boards' responsibilities to school trustees elected by parents. These councils would then decide whether individual schools would have a Catholic, Protestant or "neutral" religious status.

Critics suspect that the promise of a larger parental role is really a smoke

screen aimed at allowing the education department to take over some of the powers of school boards. Although Education Minister Charles Lacroix says that parent-controlled school councils will decide curricula, prepare school budget estimates and determine how students are to be graded, they will be asked to follow rigorous education department guidelines on all those areas. Under the bill, the province also will have increased powers to withhold funds from boards that ignore its rulings or fail to provide information that Quebec City may request.

Anglophones are particularly worried. They fear that the strength of English school boards—already eroded by declining enrolment and by the provisions of Bill 100 requiring them to operate in both French and English—will be further weakened. Any change in the existing system would be "unacceptable," said Allan Butler, chairman of the Protestant School Board of Greater Montreal. His Board, along with other Protestant Boards, plans to go to court in March to argue that their right to continue was guaranteed under the British North America Act.

But the government appeared to believe that the storm over Bill 48 will pass. Dedicated to the bill's David Payne, an anglophone member of the national assembly, "It is just like when we had the Bill 100 hearings in 1977. Everybody screams when you change the order of things, but in the end we always get our way."

—ANTHONY WALTON SMITH in Quebec City

A time for giving final rewards?

In the anguished Ottawa atmosphere where every conceivable scenario of Prime Minister Pierre Trudeau's retirement plans was being eagerly examined, events last week provided a bonanza. The completion of one unfinished piece of business—the appointment, as expected, of outgoing Gov. Gen. Ed Schreyer to be Canada's next high commissioner in Australia—hardly seemed that word that Trudeau had ordered the installation of a swimming pool in his Montreal house was read as a possible omen. Then, in what many observers considered to be a much more sign that the Trudeau era was indeed in drawing to a close, the Prime Minister appointed five Liberal party stalwarts to \$51,000-a-year Senate seats.

Elevated to Parliament's upper chamber were:

• Anne Clout, a Barbados-born member of the National People Board who will be the Senate's first black member. An unexpected choice, Clout, 40, ran unsuccessfully in 1975 and 1980 as a Liberal candidate in Ontario.

• William D. Gidycz, 60, an editorial writer for the *Montreal Gazette*, former Trudeau adviser and as an unsuccessful Liberal party candidate who will become Canada's first Greek-born member of the upper chamber.

• Murray Gradstein, 58, a 30-year-old lawyer and founder of a Toronto advertising agency who has long been one of the key architects of Liberal electioneering communications strategy. A native of London, Ont., Gradstein once served as an aide to John Turner and was the 1968 Liberal leadership pick.

• Michael Kirby of Montreal, who served as assistant principal secretary to the Prime Minister between 1974 and 1976 and played a leading behind-the-scenes role in the 1980-1981 federal general election's constitutional negotiations. Kirby, 42, was instrumental in designing a federal program that led to major changes in the East Coast fishery.

• Mike Stewart, 58, who served as Liberal MP for Ontario's Niagara region between 1962 and 1985. As expert on parliamentary procedure, Stewart has since then taught political science at Nova Scotia's St. Francis Xavier University.

Trudeau's latest round of appointments whittled the number of Senate vacancies down to 13 and prompted Trudeau-watchers to speculate that he might announce his retirement by mid-February, although any such reasoning had to take into account Trudeau's multiple capacity for surprises. ☐

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The Kissinger verdict

By Michael Posner

The controversial findings seemed likely to shake further the free of debate over U.S. policy in Central America. "The more we learned, the more convinced we became that the crisis there is real, and acute, and that the United States must act to meet it, and act boldly." With that declaration Henry Kissinger's commission—formally the National Intelligence Study Group on Central America—last week submitted its unusually analyzed report to President Ronald Reagan. The study, written by a 12-member panel chaired by the former secretary of state, opened a decidedly new phase in the debate over Central America.

The report was issued at a time when the political and military situation in Central America is deteriorating. With a mandate to recommend long-term solutions to Central America's spiritual problems, the Kissinger panel sought to lift the domestic debate out of Congress's partisan arena and force a national consensus. The goal may have been unrealistic. Polls reveal that many Americans still have only a vague idea of where Central America is or of what U.S. policy has been in the past or should be in the future. As well, in an election year the temptation to exploit political disputes is almost irresistible. For his part, Reagan shared the report with a call for both Congress and the White House to "come together in the same bipartisan way that this commission has been together."

Still, the president's panel has fulfilled at least part of its mission. Among its two memberships of liberals and conservatives it achieved wide, if not complete, unanimity. And it has largely framed the key issues in the debate. Six months in the making and 132 pages long, the report stresses the urgent need for economic development in Central America. But its amount of aid, the commission warned, can correct nations exposed to externally supported subversion. "The Soviet and Cuban threat is real," it declared. "Just as there can be real security without economic growth, so there can be no prosperity without security."

Specifically, the commission urged the administration to triple current U.S. economic aid levels to Central America, spending \$6 billion before the end of the decade. The panel is con-

vinced that only massive infusions of U.S. capital—private and public—can sustain democratic institutions. But trade credits, tariff reductions and investment incentives will not save Central America from Communist-backed guerrilla warfare. Economic aid, the panel insisted, must complement a major increase in military assistance. The commission avoided placing figures on the overall cost of the military aid, but it

In El Salvador the war against rebel insurgents is going badly, with the U.S.-backed army rapidly losing men, morale and material. In Honduras, where the defense department is denying elaborate military exercises, a U.S. helicopter pilot died last week when Nicaraguan soldiers made their own heroes opened fire on his aircraft.

Diplomatic initiatives to promote peace were also floundering at the re-



Kissinger (left), Salvadoran left guerrillas: a strong warning of an acute crisis and a call to new initiatives of American economic aid and military aid



demanded the Pentagon's proposal of \$400 million for El Salvador in both 1984 and 1985. Current aid levels, the report contended, are too low to permit El Salvador's army to win the war. It recommended that Congress agree on specific targets and "kick with it the most possible money for El Salvador to provide just enough aid to keep the war going, but too little to wage it successfully." The Pentagon plans to create a 1,000-man rapid deployment force for the region, backed by 1,000 reserves, and dispatch another 10,000 "heavy" attack helicopters to the Salvadoran air force along with other aircraft.

port was issued. After almost a year of talks, the Central group (Mexico, Colombia, Venezuela and Panama) last week produced a skeletal peace treaty for the region, including agreements to disclose inventories of weapons, losses, troops and families; advisers that the commission created to implement its surveillance and reinforcement power. "We had to do something to prove that the Guatemalan process was not entirely meaningless," conceded one Latin American diplomat. "This was the best we could do."

In its only serious internal conflict, the Kissinger commission told the mili-

tary aid package to El Salvador's human rights performance—a link that Reagan has formally rejected. The panel deplored the work of right-wing death squads and it suggested that security assistance be made contingent on El Salvador's progress toward free elections, social and land reform, abolition of the death squads and the prosecution of past offenses and that "periodic reports" be required attesting that those goals were being achieved. Kissinger himself accepted the proposal reluctantly, countering it in a dissenting note that it would not be interpreted "in a manner that leads to a Marxist-Leninist victory in El Salvador." At a press conference Kissinger added, "It would be absurd in the name of human rights to bring into power Marxist-Leninist

revolution. Majority favored continued aid to anti-Sandinista forces trying to overthrow the junta. The dissent, the report said, provides an incentive to Managua to negotiate a regional settlement to the conflict. But two Hispanic commission members, San Antonio Mayor Henry Cisneros and Yale University professor Carlos Diaz Alayza, filed minority statements opposing U.S. aid to the extent that, at least, as well as the larger question of an economic lifeline for El Salvador, is likely to preclude Congress when it reconvenes next week.

Overall reaction to the report was mixed and it divided along political lines. On both extremes of the spectrum critics demanded it as a worthless document—the left because of its advances to military repression, the right because

of its prescriptions of an extremely expensive foreign aid. But the commission was clearly sitting at the political center. Said Cisneros: "You have to find the middle ground, and that's what the report is trying to do."

Added Senate majority leader Howard Baker: "The important thing is the commission agreed on the major features—not to let El Salvador go down the drain and not let Cuba and the Soviet Union run Central America through a wringer in Nicaragua."

The White House will likely embrace the commission's proposals, even accepting the recommendation for regular human rights certification. But Reagan said on Saturday that he would propose the \$4-billion aid package before issues in worth the price," he said. But the real issue is whether or not Reagan can get the plan through Congress. His strategy will be to pass the entire program as an act carried up by congressional consensus, the risk of reauthorization is much higher. As a region, the report said, Central America is in real pain, moving from its authoritarian past to what Washington hopes will be a democratic future. But it needs international aid, peace and help. The Kissinger panel has established the stakes, now, said the first one of an election year, it will be up to Congress and the administration to determine how much help the United States is prepared to deliver.

With First Edition in Foreign City

UNITED STATES

Reagan's papal connection

James Dunn, executive director of the American Baptist Joint Committee on Public Affairs, called it "a dangerous and divisive precedent." Declared fundamentalist Moral Majority leader Jerry Falwell: "How long before Mexico asks for special treatment?" Last week, when President Ronald Reagan decided to formalize U.S. relations with the Vatican after 117 years, the condemnation from non-Catholic church leaders was vigorous. But Reagan administration officials were unapologetic, arguing that the United States was merely joining 106 nations that already have full links with the Holy See.

White House officials and the new diplomatic step would improve communications with the Vatican at a time when the Roman Catholic Church, and Pope John Paul II in particular, is playing an active and crucial role in world affairs. Reagan has often praised the Pope's stance on world issues, including his condemnation of martial law in Poland. He named William Wilson, a former California industrialist and an old friend, to fill the post of ambassador to the Vatican.

The wary Protestant, Jewish and civil liberties group charged that the move was an unwarranted mixing of government and church affairs. They predicted a resurgence of anti-Catholic feeling in a country in which 20 per cent are Protestant and 36 per cent are Roman Catholic. Even Catholic leaders were concerned, fearing that Reagan's intent was to undermine the power and independence of the American church, which in the past has clashed with the administration over nuclear weapons and Latin American policies.

Opponents quickly proposed to try to block the exchange. The 46-year-old lobbying group, Americans United for Separation of Church and State, began its campaign in anticipation of a court battle. And the American League for Constitutional Education is planning to press witnesses on the Senate not to confirm Wilson as ambassador. The White House would not comment that it has enough support to put the change through. And even a few church leaders agreed that the move would not harm the country would soon die down. Said Rev. Martin E. Marty, a leading Lutheran theologian: "This negative reaction will blow over fairly quickly." But for the time being, the White House has a difficult uphill job to do.

—WILLIAM LUTHERAN 16 Washington



Jewish settlement under construction on the West Bank; expensive and expensive.

ISRAEL

An economy in chaos

Throughout Israel, boarding schools begin to close for lack of government funds. Operators of state-owned old-age homes warn their residents that they may soon have to find new residences. And throughout Israel workers withdraw all their savings to avoid 400 to 500-per-cent outstanding deposit interest overhauls. The nation's desperate economic crisis, highlighted by a 300-per-cent inflation rate and a \$5-billion balance of trade deficit, exacted an additional toll last week. But the fragile coalition government of Prime Menachem Begin and Finance Minister Yigal Cohen-Orlag has already warned that even more severe cuts may soon be necessary. Said the finance minister, "We have no choice."

Cohen-Orlag faces formidable opposition in his campaign to pare down Israel's huge-wild expenditures. His victory last week was made possible when two small but vital coalition member parties agreed to limits on construction of new Jewish settlements on the West Bank and to reduce welfare programs. But they did so only with the promise that Cohen-Orlag would not

make any further spending reductions. And Israeli workers, led by 50,000 members of the nation's civil service, have pledged to fight over the already agreed-upon restraint package. Last week government workers continued a program of work slowdowns, strikes and "organized vacations" to protest against the restrictions. Chaim Ussishkin, a union representative in the defense ministry, which has slashed \$144 million from its expenditures, warned that more pressure could follow "We do not want to hurt society," Ussishkin said, "but if we have to, we will."

Economists have warned for months that Israel faces a possibility of bankruptcy. To head off economic disaster, Begin appointed the 56-year-old Cohen-Orlag last October to succeed Yoram Ashkenazi in the finance ministry after the nation's party returned. Ashkenazi's party rejected a proposal that Israel link the shekel to the U.S. dollar. Under the free-spending Ashkenazi Israeli has enjoyed three years of artificial prosperity, created in part by government food price subsidies and quar-

terly huge subsidies to keep salaries in line with inflation. But the \$700-million-a-year settlement program on the West Bank, coupled with Israel's recognition of Lebanon and Israeli consumers' appetite for imports, pushed the country's foreign debt to \$32 billion (the highest per capita indebtedness in the world) and doubled the inflation rate.

Cohen-Orlag's recovery program is a harsh one. In October he announced cuts in government food price subsidies by 30 per cent. As a result, the price of bread jumped from 74 cents a loaf to 17.8 cents, and the cost of a liter of milk rose to nearly 50 cents from 19 cents. Inflation in a country in which the average worker earns \$160 a month. That action was part of a bid to cool demand and inflation, and it helped to slash Israeli purchasing power by 30 per cent in only three months.

The two most explosive—and expensive—economic issues are the costs of maintaining the West Bank settlements and supporting Israeli forces in Lebanon. Shimon is looking for ways to pull back Israeli troops from southern Lebanon in order to eliminate \$1 million a day in operating costs. And Defense Minister Moshe Arens agreed last week to budget cuts in his ministry but he refused to admit that Israel will not withdraw its forces until its security requirements are met—including the withdrawal of Syrian troops from the Beirut Valley in eastern Lebanon. There is also a division of opinion over the future of the West Bank settlements. A growing number of Israelis want to freeze the number of settlements. The Jerusalem Post recently published a poll indicating that 72 per cent of respondents favor such a policy. Despite Cohen-Orlag's attempts to repair the economy, his restraint measures may still be inadequate. In November and December alone, the treasury increased Israel's money supply by \$4 billion (about \$500 million), an inflation more than Cohen-Orlag said.

And there has been a surge in applications for emigration. Last year, 4,500 Israelis went through the immigration process of absorption in Israel, a process known as *aliya* (going down). This year officials anticipate that 100,000 Israelis will leave. Meanwhile, since the government's latest actions do, in fact, rescue the economy, the fragile Likud coalition may collapse.

—DAVID BEN-DOR
in Jerusalem



Cohen-Orlag's no choice.

WEST GERMANY

A four-star NATO scandal

Hardworking but aloof, NATO deputy commander Gen. Genseter Kinsling had always been an exemplary military leader. Then, last week, West German newspapers reported that spy intelligence in Bonn had compiled a 50-page dossier on the 56-year-old bachelor, alleging that he frequented homosexual bars. The reports alleged that German Defense Minister Manfred Wörner abruptly withdrew the unblemished former general's security clearance, effectively terminating his career, and fired him from his senior post in the NATO chain of command. Despite Kinsling's angry denial that he is a homosexual, the incident has created an uproar inside the West German military establishment, with senior officials insisting that Kinsling had placed himself in a position where he could be blackmailed, possibly by East German intelligence agents.

But there may have been other forces behind Kinsling's firing. For one thing, NATO sources reported that Kinsling—who had held the deputy commander post since April, 1982—had clashed with NATO Supreme Commander U.S. Gen. Bernard Rogers as issues related to nuclear weapons policy. For another, leaders also suggested that Kinsling had angered both Wörner and the military establishment in Bonn by pressing for higher postings within the West German armed forces. Kinsling had asked the defense ministry in Bonn for reassignment in the West German armed forces, and had been pressing for the job of inspector-general, the highest position in the West German military. Disasters in Bonn speculated last week that Kinsling's detractors in the armed forces may have ordered the security investigation as a means of ending his ambitions. As well, West German officials said privately that Kinsling's view on NATO policy brought him into conflict with Rogers.

Rogers and Kinsling did indeed disagree sharply on the use of tactical short-range nuclear weapons in Europe. Kinsling had called for deeper cuts in NATO's stockpile of 4,000 short-range tactical weapons (which authorities last year reduced from 5,000). Rogers supported that proposal. Previously, Rogers had expressed doubts that West Germany would meet the constraints to deploy new U.S. Pershing II and cruise missiles. And last week Hans Apel, a former West German defense minister in the government of Helmut Schmidt, suggested that Rogers's opposition to Kinsling went beyond personal differences. Apel added that Rogers had

sought the abolition of a deputy commander position for West Germany. Said Apel: "During my time in office Rogers strove energetically for the removal of a German deputy."

At week's end, the Kinsling affair continued to dominate West German headlines. Rogers claimed that he had "absolutely nothing to do" with Bonn's decision to fire Kinsling. For his part,

Kinsling sought to fight the dismissal stating, "Never in my life have I had homosexual contacts of any kind." He charged that the intelligence report had been either a forgery or was based on mistaken identity. But Wörner gave no indication that he will allow Kinsling to defend himself. Indeed, the defense ministry has already nominated another general, Hans-Joachim Meck, to replace him. Still, it is unlikely that the aggressive Kinsling, a combat veteran of the Second World War, will accept his fate without a fight.

—PETER LEWIS in Brussels

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Pérez de Cuellar (left) and Trudean: positive signals and guarded optimism

UNITED NATIONS

On the road to Moscow

Prime Trudeau found another way around the problem of converting to his quest for global peace last week, and he promptly announced the new summit to tackle a diplomatically under-the-radar issue: the environment. Meeting with Prime Minister Jean Chrétien and Foreign Minister Jean Charest, Secretary of State and former Prime Minister Jean Chrétien, the Prime Minister told him that he had outlined "where I had been and what I had heard" during his high-profile, six-week-long peace mission in Africa. He outlined the need to continue to promote Canada's call for a conference among the five major nuclear powers—the United States, the Soviet Union, China, France and the United Kingdom—offered to table three Canadian policy papers when the conference on disarmament convenes next month in Geneva. "Until now, most of the focus has been on disarmament, but we lack in my personal opinion, 'God go with you—we cannot go.' Trudeau told a New York news conference afterward. "I think that it is up to the international community to point out what obligations we have to them."

After the UN meeting, Trudeau had one remaining stop—Moscow—before he completed the first phase of his mission. Earlier in the week the Prime Minister met with the Soviet and Czech ambassadors to Canada in an unsuccessful attempt to find a suitable date for a meeting with ailing Soviet leader Yuri Andropov. Later, Trudeau sent a letter to Andropov saying that he would be prepared to meet with the "collective leadership."

Trudeau maintained that he did not

As Piren de Cailhier whether he will, in fact, act on his suggestion of a five-nation summit. But a spokesman for the Canadian government says that the five-nation plan. That approval was another small but positive diplomatic signal which added to the guarded optimism of those involved in the peace crusade last week, leading Democratic presidential candidate Jimmy Carter to call Piren de Cailhier, praising his efforts and requesting a meeting. Canadian officials also contended that this week's European security conference in Stockholm "has been upgraded to a meeting of equals" by the presence of ministers. It was proof that the Prime Minister's concerns are increasingly shared by other leaders. Said one Canadian diplomat in New York: "It's breaking the ice." The "ice" might be broken again, he said, and then.

Meanwhile, Liberal strategists are increasingly convinced that the peace initiative will determine when—and if—Trudeau will resign. Most insist they now believe that he will step down in mid-February. Last week Pierre de Gaultier fuelled speculation when he remarked that if Trudeau were no longer prime minister, "he would be an idea man to be a mediator in international affairs." Trudeau kept his own counsel, saying only that the secretary-general had not offered him a job. But Canadian officials predict that he will announce the lure of the international stage for good.

—MARY JANEKAS, with Nicky Holford
in New York

JORDAN

Hussein returns to centre stage

During his 31 turbulent years on the Jordan throne, King Hussein bin Talal has demonstrated a drift to survive in the shadow of Middle East power politics. Last week he again demonstrated his ability to take a back seat to the great powers. In defiance of Syria, rebels in the Palestine Liberation Organization and the Islamic Resistance Movement ousted the 65-member National Assembly, which has been in abeyance since 1974. As expected, the parliament, with equal representation from both Jordan and the Israeli-occupied West Bank, complied with Hussein's wish and called for recent elections on the 1992-93 date. The 1992-93 National Assembly members from the West Bank, Aqsa representatives of the ailing largest block of Palestinians in the Arab world, the reinstated parliament suddenly found itself in a position to make for a change in the status quo for the foreign-backed Palestinian struggle.

The dangers involved in Hanejo's gamble were evident as the remaining 15 assembly members arrived in Amman. Neighbourly streets were blocked off to restrain the threat of car bombs. The Jordanians had come for concrete Syria, which in recent years had played an increasingly influential role in Palestinian politics. But Hanejo's gamble on the parliamentary recall to try to displace the PLO as the voice of the Palestinians, Hanejo originally suspended the parliament in 1974 after the Arab League voted to recognize the PLO as the "sole and legitimate" representative of all Palestinians. In Damascus the state-controlled newspaper, al-Thawra, termed that Syria would "benefit" the threat posed by the new Jordanian policy.

Despite the threats, Hussein will likely succeed in one important aim—persuading PLO Chairman Yasser Arafat, now exiled in Tunis, to resume talks as U.S. President Ronald Reagan's 1982 peace plan for the region. The Reagan proposal called for an autonomous Palestinian authority on the Gaza Strip and the Gaza Strip, in conjunction with Jordan. Arafat pulled out of talks with Hussein last April after it became clear that he would not be able to persuade the PLO to accept a role for the king, who earned its enmity in 1971 when Hussein's army drove several thousand PLO guerrillas out of Jordan to Syria and ultimately to Lebanon. A top aide of King Khalid Al Saud, who has been in Riyadh last week that the PLO leader will likely meet with Hussein soon. "As far

as the Arab crisis is concerned, the military option is not viable now," Hassan said. "We have finally accepted to deal with international hostility."

Publicly, Hansen and his officials continued to describe the reconvening of parliament as an "internal" matter. And there were, in fact, domestic considerations involved in his decision. More than 2.8 million East Bank residents have not been able to exercise their right to vote for 16 years. Domestic tension has been rising because of a deteriorating economy, and Hansen, by giving the well-educated fernesees an opportunity to express their dissent in elections, may avert more serious troubles.

But the impact on the region of a curtailing new roles for Palestinians was considerable. More than 60 per cent of Jordan's population is made up of Palestinians. Another 800,000 Palestinians live on the West Bank. They are particularly concerned about Israel's continued settlement of the area. Earlier this month the Israeli government announced that settlers on the West Bank would no longer be subject to Jordanian laws but would be governed according to Israeli ones. Local Arabs note that as another step toward effective annexation.

Still, many West Bank Palestinians have now decided that the only hope for an independent homeland in thorough negotiations with Israel is a letter from Hamas last month. Hamas reported an earlier commitment to press Israel to halt its settlement of Jordan is willing to take part in a U.S.-sponsored peace effort. In the past, Hamas has refused to negotiate with Israel, first on the basis of its involvement. But the result of parliament may give the monarch the mandate he needs—especially because the PLO has now lost its unity and coherence. Said Edward Khoury, a Palestinian leader from Bethlehem and one of 12 assembly members to crown from the West Bank: "I have as much right to speak for the West Bank as does the Palestinian Liberation Organization, but that there must be negotiations with Israel, very soon."

Adding to the speculation that he may plan to take a greater role in the peace negotiations, Hassen last week appointed a greater number of Palestinians to the new government, and returned as well as to key positions at the palace, the real centre of power. But the rapid arrival of rainstorms clearly sent a heavy physical toll in the 48-year-old monarch. Hassen had to delay his opening address to parliament after being hospitalised for a bleeding ailment. And the evening-in of the new cabinet, nationally televised, had to take place in Hassen's hospital room.

—Ernest Wessner on Board

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Buckingham Palace's press to the pavement for privacy continues to fall on deaf ears. Last week, on the first day of a skiing holiday in Liechtenstein, more than 80 photographers confronted Prince Charles and Diana, Princess of Wales, on the slopes, even though Crown Prince Franz Joseph of Liechtenstein had promised that the couple be left in peace. Certainly, the royals are accustomed to attention. A winter vacation there a year ago attracted 40 news-hounds eager to snap a shot of a tumble in the snow. Last week Diana remained decidedly frosty but she did summon an eagle for an organized photo session. Despite heated outbursts in the past, Prince Charles was relaxed in front of the cameras and jokingly asked cameramen, "Do you want us to fall over?" A snow on cue, Diana obliged, falling over on the same slope on which she had quipped posed hours before.

The feisty nature of political fortune can be dizzying. William Tompkins, the honorable man from Grand Falls-White Bay, Labrador, was not only dizzy but redeemed last week after Pierre Trudeau brought him back from the cold to fill the Newfoundland slot in the cabinet as minister of mines. He replaces Roger Swenson, who resigned last summer (Forty-four-year-old Swenson, whose appointment as mines minister lasted only 30 days, was convicted of income tax evasion on Dec. 2.) Tompkins, who

Complex: politics can be dizzying



Charles and Diana: 'do you want us to fall over?'

was dropped from cabinet last August, was photographed and circumspiced. "My whole political career has taught me to expect the unexpected," he said. "Life is full of ups and downs." Of the downside in the past six months, the 41-year-old schoolteacher preferred to defer analysis. "Obviously, I would not have chosen for events to happen that way." Appropriately, the recycled Tompkins comes back to his chores with a keen interest in renewable energy.

Being typhoid as a head boy is not a concern for Vancouver's Kenny Major Now and After being appointed in a TV movie three years ago, the 27-year-old actor shaved off his eyebrows and dyed his blood eyelashes black to make himself look more sinister in his first major film role as Stomper in *Charles Bronson's Death Wish 4*. Then, last May Clint Eastwood approached him to play an apple-ripped-clown delinquent in his recently released movie *Badlands*.

Impost, the latest in a series of violent pictures featuring Eastwood as vigilante-style cop Dirty Harry. "There are just more biology rules per script than good guys," said Howard. "Daring people not more apt to take someone whose looks are not expected, and society is not used to blood-thirst, blue-eyed killers." But as opening part in *Goodbye, a film about youthful rivalries in rural Arizona, may be a welcome change Howard is smiling in the comparative tranquillity of just being a "beer-drinking, far-loving small town."*

"It is nobody's God damn business where I live." With that, Mavis Gallant, Canada's pre-eminent short-story writer, dismisses those who refer to her as a writer in exile. "An exile is someone who has been forced to leave the country," said Gallant, who retains her Canadian citizenship after living more than 20 years in Paris. "They do not ask Ronald Sutherland why he is in Hollywood and they do not badger Jean-Paul Goude." As this year's writer in residence at the University of Toronto, Gallant, 41, has so many manuscripts slipped under her door that she has had to start screening them to make sure they are from her students. Gallant tries not to be too critical of her would-be Promts, although she is critical of the language skills of many of the students. "At first I was shocked," she sighed. "But now if someone writes good English, I am rather grateful." Shortly after the school term is over, the highly acclaimed author will be heading back to Paris. But Gallant is reluctant about discussing her plans. "My work is my own business," she said firmly. "I do not have to account for that."

—EDITED BY JACKIE CARLOS

Howard "society is not used to blood, blue-eyed killers"



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AT&T goes for broke

By Ian Austin

The past month has been full of turmoil for Robert Sageman, the president of AT&T International, an arm of the New York-based American Telephone and Telegraph Co. But last week he was at least getting some relief at the start of each day. "I look gratefully at *The Wall Street Journal* in the morning and see that we are not in the paper that day," he told *Money*'s readers. Sageman has had more to be apprehensive. Although the end of the 307-year-old Bell System on New Year's Eve created a fireball of favorable publicity for AT&T, some recent events have shown that the anti-trust-inspired dissolution of the telecommunications giant has not been without confusion and pain for customers, employees and investors.

The handling over of the former AT&T's \$185 billion worth of assets to a shrunken-down central company and seven newly created operating corporations, which took over local phone service, occurred on Jan. 1 after AT&T agreed to settle a long-festering antitrust action out of court. Nevertheless, important questions such as how long-distance rates remained unsettled. Making the problem worse, some relationships developed between AT&T and the new operating companies—and consumers have been caught in the middle of the confusion. At least the changeover, which affected nearly one million employees, has not caused any large-scale service disruption.

The break-up brought an end to AT&T's legendary, but fragile, near monopoly of U.S. telephone trade. But the terms could not have been more favorable for the corporation. The most important and dominating portion of its business—local telephone service—is now the domain of the seven regional companies. Pacific Telcom, US West, Southwestern Bell Corp., American Information Technologies Inc. (Amer-

itech), Bell Atlantic Corp., Nynex Corp. and BellSouth Corp. In turn, AT&T retained the choice fruits of the old system: the long-distance lines, the Western Electric Co. and its manufacturing facilities, as well as Bell Laboratories. What is more, the arrangement also frees AT&T to enter the world of data processing—a corporate goal long thwarted by regulators.

Relations between the various entities have been difficult. In Chicago a wall now separates customer services in the efforts used by AT&T and Amer-

itech, many customers still apparently do not know what is going on. In fact, because of the breakup they have three options: keep renting telephones from AT&T; buy them from AT&T; or return them while replacing the AT&T equipment with another firm's product. The last two options, in some cities at least, have not been easy to exercise. Many of AT&T's phone stores have closed, and the narrowing outlets are frequently difficult to find. One store in Maple Heights, Ohio, was so congested last week that its telephone was still not working.

operating.

Adding to the woes of residential customers is the proliferation of bills that will soon stream into their mailboxes. Some people will get a bill for equipment rentals from AT&T; a bill for local service and then long-distance; revenues from AT&T or one of the many other companies that offer low-cost long-distance services between major U.S. cities. What is more, the amounts that consumers can expect to pay are still uncertain. AT&T gave some of the first good news after the breakup earlier this month when it announced plans for a 10-15-per-cent cut in long-distance rates. But there was a catch. The rate reduction will only start if the U.S. Congress approves a continuing annual charge for access to long-distance lines. The necessary political approval did not appear imminent last week.

Although less obvious to outsiders, the shakeup within AT&T's employee ranks has been no less dramatic. In the past, parties of AT&T frequently charged that the company was staffed with people having "bell-shaped heads"—that is, workers who performed their tasks with a high degree of perfection but without ever questioning if they were heading along the right stream. Whether or not the criticism is warranted, many AT&T employees have stayed with the company for their entire working lives. Sageman himself

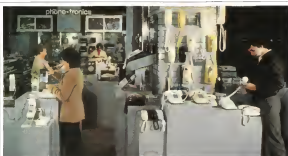


Sageman's confusion and pain for customers, employees and investors

tech employees. More significantly, customers in many regions complained that their phones sat unprepared for days while AT&T and the local operating company argued over who was to blame for the service breakdown. After one dispute caused dead phones for three days, a Boston-based company purchased a \$25,000 diagnostic system that will determine if the problem is in the phone system or their office equipment and, in turn, tell them which company to contact. (AT&T looks after the phone, the local operator maintains the lines.)

For residential customers, service has been just as confused. Despite national and seething panic and telecom-

nication lines. The necessary political approval did not appear imminent last week. Although less obvious to outsiders, the shakeup within AT&T's employee ranks has been no less dramatic. In the past, parties of AT&T frequently charged that the company was staffed with people having "bell-shaped heads"—that is, workers who performed their tasks with a high degree of perfection but without ever questioning if they were heading along the right stream. Whether or not the criticism is warranted, many AT&T employees have stayed with the company for their entire working lives. Sageman himself



AT&T phone center, Moore (below): with a new office in Canada, AT&T will compete head-on with Northern Telecom

joined AT&T as a radio telephone technician after his Second World War tour of duty with the U.S. Navy. He also acknowledges that, because of its monopoly power in the past, marketing has been an area of weakness at the company. But now, he says, that has changed. "Our management recognizes very clearly that everybody in the business has to be a successful marketing person." While there have been no staff purges, that policy likely means that the AT&T of the future will be run by fewer firms.

AT&T Chairman Charles Brown has acknowledged that Bell Canada's Northern Telecom Inc. is one firm his marketing people will be watching closely. Although AT&T aimed as much as 60 per cent of the precursor of Bell Canada in the early part of the century and both later maintained research ties, the relationship was severed in 1975. Since then, Bell Canada has pursued the U.S. market. Operating out of Toronto, Northern's U.S. subsidiary now employs approximately 15,000 people in both marketing and manufacturing of telecommunications equipment.

The AT&T breakup has created a whole new set of possibilities for the Canadian company. In the past most of its U.S. efforts consisted in selling call recording systems for offices. But now that the local phone

companies have lost their jobs to Western Electric, they present a potential—and lucrative—market for Northern's long-scale telephone exchange switching equipment.

AT&T's new marketing effort is evident in the newly created AT&T subsidiary that Sageman heads. The new international division marks the first major push outside the United States by AT&T since the 1920s. One of its first moves has been to challenge Northern as its home turf. Last week, with only 20 staff members and a half-completed office, AT&T Canada Inc. officially began business.

On the surface, at least, the Canadian operation shows all the birthmarks of its shrunken-down parent. The president is not a long-term AT&T employee but Roger Moore, who left a marketing position with the International Business Machines Corp. only two years ago. AT&T Canada is ambitious. By the end of

the year Moore hopes to double his staff and get AT&T residential telephones into the Canadian retail market. Moore also intends to target the Canadian breakouts of U.S. firms for office installations and to connect the phone companies operating in the Prairie to buy its large-scale systems. Like its parent, AT&T Canada seems to be feeling its way. Both Sageman and Moore are vague about their plans.

For its part, Northern Telecom appears largely unaffected by its former partner's arrival in Canada. After all, AT&T Canada faces hurdles that are not a problem for Northern. The weak Canadian dollar has already hurt AT&T pricing on its personal data. On top of that, tariffs on the goods it brings into Canada are double those offered to Northern equipment entering the United States. But Northern does have some concerns. Assistant Vice-President Richard Worthen worries that AT&T is competing to take jobs away from Canadian manufacturers. "Sageman denies the charge, and he says that Canadian manufacturing may be possible—though, again, he offers no specifics."

Arguably, *Wall Street* analysts are watching for changing changeover more than any other group. While AT&T stuck last much of its plan in recent years at the residential telephone market, having successfully entered it, AT&T managed its image as a safe bet for small investors. Since the breakup, its shareholders have received dividends not only in the shrunken-down AT&T but in the regional companies as well. The new shares have traded since November, but there is no doubt that, until the main issue, AT&T data processing plans and the performance of the new companies become more clear, many cautious investors will hang onto their holdings—even if usually. Still Michael Kasson, a portfolio manager for the Boston-based Fidelity Select Fund. "If I held 100 shares as an individual investor, I'd be in exactly the same position. I am to now—unbelievably confused." ☐





Gordon Getty with wife, Anne. J. Paul Getty (below): a family feud is rival Dallas

The fight for Getty Oil

Swelling Jack Gallagher and other high-stake energy gamblers have raised huge amounts of money looking for oil under arctic seas. But last week's record-breaking \$9.5-billion (U.S.) takeover of the Getty Oil Co. by Tesoro Inc. may indicate that Wall Street is the safest area to make profits in oil. As a result, the magnificent acquisition doubled the oil reserves of Tesoro to 39 billion barrels, swelling Mobil's to 42 billion and the other two majors to 2.26 billion barrels each—the No. 2 position behind Exxon among U.S. petro-giants. The heirs of the late J. Paul Getty profited as well. Tesoro's \$125-per-share offer increased the value of the trove's key reserves, the Sarah C. Getty Trust, from \$2.2 billion just a few weeks ago to almost \$4 billion.

The sale may settle a Getty family feud that rivaled even the machinations of Dallas last week's takeover but was a result of matches of corporate and family warring that began last year when Gordon F. Getty, 56, the youngest of the oil billionaire's three surviving sons and administrator of the trust, first tangled with Getty Oil's board over the future of the company. In December Pennaco Co., a Houston-based oil firm, snatched a 10% stake in the trust for Getty Oil. But an agreement

between Gordon Getty and Pennaco to jointly control Getty Oil was scrapped days later when Tesoro made a more attractive offer. Now, although a mass of lawsuits and the scrutiny of antitrust authorities remain as potential obstacles to Tesoro's dream, the oil giant seems well on its way to completing the largest takeover in U.S. history.

The clearest winner in the maneuvering that ended last week is Gordon Getty. The wealthy heir, whose early ventures as a consultant to his father's oil company drew nothing but rebuke from the patriarch, had, until recently, virtually avoided any involvement in the company's affairs. But the May, 1983, death of his father's oil company drew something out of him. He had, until recently, been a larger group of more than a dozen Getty grandchildren who stood to inherit the trust's control when the last of the founder's own sons died. Adversely to the younger group favor stable, high-growth stocks, if a legal battle does erupt over insuring the trust's cash flow, the Gettys will once again enslave Dallas's key assumption that money is thicker than blood.

—LENN LUDLOW
in New York



incorporated it, to increase the company's falling stock price (it began in 1982 at \$48.50 a share). Led by Chairman Sidney Peterson, Getty Oil's executives took a surprisingly hostile approach to the advice of a man who controlled a full 40 per cent of the company.

Reversing the dynasty and the prospect of engineering a takeover or buy-out of Getty, Pennaco Chairman J. Hugh Liedtke dramatically bid \$190 a share for 50 per cent of the company's stock in December. Then, at New Year's Eve by test with Gordon Getty in a New York hotel and worked out a plan to take over the company, which had sales last year of \$12.5 billion. Pennaco would own 45 per cent and the Getty family the rest. But the \$110-per-share offer, while more than double the record 1983 offering price, was still low enough to attract Tesoro—the White Knight that Getty management had frenetically sought even after gradually approving the Pennaco deal. Coming just days after what appeared to be a sale deal between Getty and Pennaco, Tesoro's offer to pay \$125 (U.S.) per share set off a flurry of late-night negotiations, recommendations and lawsuits. Texas Chairman John K. McKinley spent hours bargaining with Gordon Getty in his Palm Beach suite. The deal had to convince dissident Getty family members to drop a court attempt to block Gordon Getty from selling him the trust's 40-per-cent share.

Tesoro launched its own series of suits, claiming that the Pennaco deal would violate both U.S. antitrust laws and the preliminary agreement that Pennaco had reached to buy out the company. But with the bulk of Getty Oil shares firmly in Tesoro's hands by midweek, Pennaco's chances of overturning the takeover was a long shot at best.

As far as the fractured Getty family, the \$1.96 billion sale in trust may have settled their quarrels only temporarily. The trust's beneficiaries are divided between those who receive current income from it, and, as a result, favor investments in triple-A bonds and notes, and a larger group of more than a dozen Getty grandchildren who stand to inherit the trust's control when the last of the founder's own sons died.

Adversely to the younger group favor stable, high-growth stocks, if a legal battle does erupt over insuring the trust's cash flow, the Gettys will once again enslave Dallas's key assumption that money is thicker than blood.

—LENN LUDLOW
in New York

Gloom on Prairie farms

By Dale Blaker

In the opulent world of Prairie agriculture, where family farm income is debated by the international grain trade, taking the good times with the bad has been a prerequisite for survival. But as 1984 dawned, ominous signs abounded that many Prairie farmers may have trouble surviving. The Canadian Wheat Board announced this month that final grain payments to Prairie farmers were \$40.7 million in 1983, the lowest in five years and \$173 million less than a year ago. That discouraging report, combined with poor prospects for 1984, underlined the fragility

slightly from the record haul of 45.9 million a year earlier, but is going to marinate at a time of world surplus. Despite the payment-to-kind program that took 100 million acres out of production, the United States harvested enough surplus to match Canada's entire grain production. That created the intensely competitive grain market, one that is keeping prices down and putting more pressure on farmers already trapped in a costly squeeze. Although wheat prices have edged up slightly, with number 1 grade selling for \$22.4 a ton compared to \$21.6 a year ago, the increase appears artificial. "There has been no market strength

hinges on production in the new year. If there are no major crop failures in the northern hemisphere, then supplies will continue to build, and prices will fall even further. Declared Darin Kraft, a University of Manitoba economist. "Prices by the end of the year could be anywhere from 50 per cent higher to 10 per cent lower, depending on grain production around the world."

Because of the rate of farm bankruptcies and more farmers may not survive the year to benefit from improved prices. By the end of last year there were 154 farm bankruptcies in the three Prairie provinces. In 1983, compared to 76 for the same period a year earlier. "If a young guy asks me if he should go into farming these days, my short answer would be 'No,'" said Wayne Gamble, president of Farm-



Saskatchewan grain elevator: a poor year for income, rising bankruptcies and the prospect of increased competition

the state of the region's entire agricultural sector.

After suffering a drop in net income of \$130 million last year, farmers in Manitoba, Saskatchewan and Alberta face the prospect of continued weak grain prices due to a world surplus and so even more competitive international markets. At the same time, farm bankruptcies on the Prairies are climbing at a yearly pace of nearly 10 per cent. And in the wake of the turbulent demise of the Green rate, freight rate costs are expected to double by 1985, and the financial straits of many farmers is worsening.

The assessments vary slightly, but the forecasts for the farm economy are all strikingly similar — no one expects a swift recovery. The 1983 grain crop came in at 43.7 million tons, down

from 45.9 million in 1982, but is going to marinate at a time of world surplus. Despite the payment-to-kind program that took 100 million acres out of production, the United States harvested enough surplus to match Canada's entire grain production. That created the intensely competitive grain market, one that is keeping prices down and putting more pressure on farmers already trapped in a costly squeeze.

Production is expected to grow in the United States this year, and competition for sales will be intense in the coming months. The European Economic Community has stimulated production by guaranteeing prices for farmers. In addition, Australia rebounded from a drought-ravaged eight-and-a-half-ton crop in 1983 and produced 20 million tons in 1984. As well, Argentina is offering top-grade wheat at fire-sale prices of \$151 a ton.

As a result, the Wheat Board may no longer be able to offset lower prices to producers by simply increasing exports, which last year totalled a record 20.5 million tons. The key to a price recovery

West Management in Saskatoon, a company that specializes in financial planning for farmers.

There is no sign of an improvement in prices, but costs will likely edge up, mainly because of the freight rate structures. A farmer near Taber, Alta., now pays \$5.15 a ton to ship grain to Vancouver, compared to \$4.85 under the Green rate. At Redfist, Sask., the new rate to Thunder Bay is \$5.34, up from the Green level of \$4.43. Still, one glimmer of hope, according to Kraft, is that costs to farmers are likely to increase by only three or four per cent in 1984, which should be well below the national average. That that would not provide enough relief for farmers across the Prairies. Last year, compared to 1982, their net income declined by nearly eight per cent. □

The export of excellence

By Peter C. Newman

Whisperers have been circulating for weeks that Pierre Trudeau's farewell present to Canada's industry would be a multi-billion dollar deal with mainland China, to be announced during Premier Zhao Ziyang's visit to Ottawa. The shipping list is said to include orders for heavy machinery to extract China's huge coal reserves, Canadian aircraft and a contract to build two major urban transit systems.

It is already known that Ontario's Urban Transportation Development Corp. is busy completing its feasibility study of a downtown transportation network for Shanghai. Now another contract is in the cards, one involving the New Territories, that section of the Hong Kong colony that will revert to China in 1997. Officials close to the Chinese-Canadian negotiations claim that construction of a complete subway network for Peking is also being discussed. Such deals are becoming fairly routine in the roster of Canada's current trade offensive and are changing our image abroad.

One startling example was the recent choice of Toronto architect Calvin Cui to build the new Paris opera house with President François Mitterrand personally picking the winner. What's less well-known is that the runner-up in the worldwide competition was yet another Canadian architectural firm: Craig & Boske. Also, Toronto's architect Richard Seidler is redeveloping a large chunk of downtown San Francisco, and Vancouver planning giant Arthur Hinchey is pursuing his commitment to complete the Bankers Hall project that will transform central Los Angeles. Roy Moriyama, whose structures grace most Canadian cities, is now working almost exclusively abroad. His current contract includes a \$10-million job in downtown New Orleans, a giant commercial building in Chicago, public transit stations in Buffalo and architectural assignments in West Germany, Pakistan and Saudi Arabia. Haroon Mery, the architect, is helping to build a new conference centre in Portland, Ore. The New York Stock Exchange building's interior planning is being done by Canada's Rose Brydson Ltd. Doug Bell of Montreal is becoming recognized as one of the world's most advanced furniture designers. Another Canadian firm, H.L. Ltd., was awarded

the contract to furnish the Bank of America's new headquarters in New York.

Most Wall Street head offices in search of optimum design for their award requests tend to use the Toronto graphic design firm of Gottschalk & Ash, whose New York office recently won the prestigious Merrill Lynch account. (It & A's best-known Canadian work was last year's smoothly crafted Bank of Nova Scotia mural report.)



Alan Helft, Martin Ottman: geomatrix

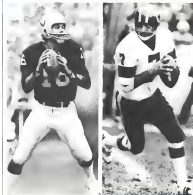
One solid export success story is Toronto's Art Skoppe, the luxury design and furnishing expensier picked by New York's *Don & J. Street* and *Record* as "the finest furniture store in North America." As well as furnishing the Canadian living and drawing rooms of the Broomfords, McLaughlins, Rocknesses and Hatches north of the border, the firm has recently won contracts to decorate the offices in the United States and Bermuda for General Motors, Baccini,

Merrill Lynch and American Savings. Another rewarding commission is the refurbishing of the Pierre Hotel, New York's luxurious residence-hotel, now being operated by the Canadian-owned Four Seasons chain.

Allen Offman (who operates the Art Skoppe with his brother Martin) has been at the centre of many designs on executive furnishings across North America and has noticed an emerging trend in the business—the tendency to escape the present by re-creating the environments of a more rosiest past. "There seems to be a growing interest in that 90-year period between 1880 and 1900, now being referred to—not always accurately—as the postmodern period," he says. "Style is based on legitimate design, as opposed to fashion, and the late 19th and early 20th centuries reflected some important influences. Empire, Rococo, art deco and the early work of Gropius and Le Corbusier. All are characterized by having particular, functional communication, but still retain a degree of decoration as romance. The rich have always tried to make strong personal statements through the houses that they build and furnish. Most executives are getting tired of the predictability of drab drawing rooms and the cliché of country French places. The current trend is to a more intellectual and personalized style of furniture that seems to blend wisely with modern art and architecture."

Not too long ago, any male member of the Canadian establishment wanting to refresh his three-piece suit would routinely call on the bespoke tailor of London's Savile Row or at Brooks Brothers on New York's Madison Avenue. It may be the ultimate accolade to Canada's expanding export of excellence that, when David Waters, former chairman of the building company that constructed the new Parliament, was planning to set up a chain of luxury men's clothing outlets across the United States, he turned for advice to Harry Rosen, who runs a chain of Toronto-based stores. By Dylex, the huge clothes retail chain. The two men have formed a partnership, and the Rosen label is poised to invade Wall Street's boardrooms.

These international triumphs are a heartening sign. No longer are we mere suppliers of raw materials to the world, and our style, we now export, excels.



Flank it (left): Thelemann: a computer-age learn vs. blood and thunder

SPORTS

Hell's Angels vs. the Hogs

For the first time in its 16-year history, the National Football League's Super Bowl may measure up to its underdog-defeat pre-season publicity. When the Washington Redskins and the Los Angeles Raiders meet in Tampa, Fla., on Jan. 12, the game will feature the two teams that were consistently rated as the league's best throughout the season. As a result, in a year when NFL television ratings dropped on all three major U.S. networks, drug convictions abounded, and top competitors and collegiate stars signed with the rival United States Football League, the NFL still may redeem itself with a truly super Bowl game.

Superdome's game promises attractions for everyone. The league's most valuable player, Joe Thelemann, will quarterback the Redskins. He will throw long and short and scramble while getting away of the game's most complicated offense. His counterpart, Raider quarterback Jim Plunkett, will throw

short to Todd Christensen and long to Cliff Branch, operating one of the game's least complicated attacks. Redskins running back John Riggins, who scored a record 26 touchdowns and was named last week as the NFL's outstanding player, will ground out yardage on the ground behind the league's biggest offensive line, "The Hogs." Raider running back Marcus Allen will dash and flex over the ground on stretchback, try-to-stop plays. The Raider defence, the "Hell's Angels," will simply attack the Redskins. Wearing his striped gloves, Raider owner Al Davis, the NFL's toughest bad boy, will pace and intimidate fearfully. And Raiders owner Jack Kent Cooke will alternate between grand smiles and dark frowns, armed like a gunnyslayer tycoon. On the field it will be the computer-age Redskins against Raider blood and thunder—1984 against 1983.

Recently, successful NFL teams have tended to adopt substitutes for their more effective ones. And the Redskins

have followed the trend. Hogs, Pun Bled, Pearl Harbor Crew, Joe the Throat, Downtown Charlie Brown and the Raiders have all become trade names. For their part, the Raiders will be playing in their fourth Bowl and they have a 14-4 win-loss record this year, but they would never adopt such nicknames as Raiders or the Pun Bled. Hell's Angels is the choice of the reporters and respectable players, whose owner says, "We like to get in a stout fight. We are still playing like old-time teams." By contrast, when asked if he would like a replica of Washington's 25-25 win over L.A. this season, Cooke replied, "I would leave my stadium bus, beat a hasty retreat to the church, bend to my knees and ask for divine intervention, and return to my box to see if it was granted."

And as the Redskins and Raiders prepared last week for Super Bowl XXII, the NFL was looking at television riches of its own. To that end, league teams signed running back Mike Brees of the University of Nebraska Heisman Trophy winner, Pittsburgh Steeler quarterback Cliff Stancu, and offered Chicago Bear running back Walter Payton a \$6-million contract over three years. The NFL, however, remains strangely wary of the NFL threat last week as their glory day approached.

The Redskins and Raider players, at least, focused on the game. In predictable Hell's Angels style, L.A. defensive linemen Lyle Alzado said, "Bringing back John Riggins and I were rockstars the same year, and he is a friend of mine. But we have to get in his face and tear his head off." That reflecting the analytic approach that the Redskins bring to each contest, head coach Joe Gibbs, commenting on his team being punted as the early Bowl favorite, said, "Any team that has been winning is expected to win. So when you do win, it is a relief. It is like you have won a lottery. That is what I mean in football: when I say you build your own manner."

The league and the television networks have created a monster of their own. On one hand, the game and it expects a worldwide audience of more than 100 million. CBS sold commercials at \$400,000 per 30 seconds—a record for sports broadcasting. The Redskins will try to tie the record of the Miami Dolphins, Pittsburgh Steelers and Green Bay Packers as the only teams to win consecutive Super Bowls, and the Raiders hope to become this season's team to win three (the Steelers have won four). Whatever the outcome, it will be a classic confrontation between the Hell's Angels and Joe the Hog—and it will likely be a thriller.

—HAL KLOTZ in Toronto

MacGuigan on contempt

By Shona McKay

In recent years contempt of court laws, which date from the enactment of the Criminal Code of Canada in 1893, have become a flashpoint of controversy. Reporters have complained that the threat of contempt rules limits open reporting on the courts. And Canadian judges recently said the law in several high-profile trials, including the separate cases of two Ontario women, Karen Mitchell, 32, and an unidentified Ottawa woman, who were both cited for contempt and jailed after they refused to testify in court against men who had allegedly been their unfaithful partners. Contempt, defined as willful disobedience or disruption for the rules or order of a court, is currently covered by a law that allows judges wide discretionary powers in sentencing—including life imprisonment. But all that is about to change. Federal Justice Minister Marc MacGuigan announced last week that this year he will present Parliament with a range of proposals for reforming the existing contempt laws.

MacGuigan said at a Lawyers Club of Toronto gathering last week that "the current power to punish for criminal contempt is complex and ill-defined" and that "there are few clear-cut provisions for someone charged with contempt of court." The new amendments, largely based on recommendations contained in a 1982 report by the Law Reform Commission of Canada, break the existing offence into three statutory categories: disruption of judicial proceedings, affront to judicial authority, and interference with judicial proceedings. In addition, the new legislation would entitle the accused to legal counsel, assure that contempt cases would be heard by a judge rather than the one who laid the charges and limit the term of sentence to a maximum of two years—six months for those charged with contempt. The new contempt guidelines could become law by this summer as part of an omnibus bill to amend the Criminal Code.

The Canadian legal community, which has sought changes to the grey area of contempt law for decades, generally greeted the announcement of the new proposals with approval. David Tupper, lawyer Earl Lyle, president of the Criminal Lawyers Association. "The law of contempt has never been as easy, even, and I feel that the proposed legislation would simplify the law and make for fairer trials," MacGuigan's

referee deserves applause."

Still, the proposals would not change the concept of contempt, only how it is administered. The victims of the former cases could remain unchanged under the new rules. The amendments reaffirm the right of a judge to cite a



Mitchell: a flashpoint of controversy

person for contempt for disrupting judicial proceedings—including the refusal to testify.

Two of the criticisms in the proposed revision of the contempt laws deal mainly with the media and freedom of expression. In the past, reporters who refused to reveal sources, published details about a case before they had been entered into evidence, or who publicly criticized a judge's ruling—among other less serious offences—could be charged with contempt. MacGuigan proposes to take the laying of a contempt charge out of the hands of the

judge involved. Only a Crown attorney or an attorney general could lay charges of affronting judicial authority or interfering with judicial proceedings. The amendments also subject new grounds for defence against such charges. Persons charged with an affront to judicial authority—with the publication of false or scandalous statements that a judge feels could bring the judicial system into disrepute—could defend their actions on the grounds that the statements were true and that the publication of the information was in the public interest. Similarly, interfering with judicial proceedings, such as the publication of any information that might seriously impede the course of justice, could be defended on the grounds that the information was fair and accurate and published in good faith. Conviction under either of the changes would result in no more than a two-year prison sentence.

MacGuigan's announcement came too late, however, for *La Presse* columnist Marc Laurendeau in Montreal. Provincial Court Judge Gerald Ryan initiated proceedings against Laurendeau for contempt of court in 1992 after he wrote a column questioning the wisdom of the increased use of police informers as witnesses in Crown cases. Last week Provincial Court Judge Roland Durand found Laurendeau guilty and fined him \$5,000. *La Presse* was fined \$30,000. Durand noted the severe fines in spite of the fact that *La Presse* lawyers cited MacGuigan's proposed changes at the sentence hearing.

Still, Laurendeau is taking some solace in the MacGuigan announcement. Said the columnist: "We used the defence of both truth and public interest in the case. I feel now that under the new legislation, we would stand a much better chance of being acquitted."

Despite general legal community approval, some lawyers feel that MacGuigan should have gone beyond the more procedural changes and questioned the legitimacy of the notion of contempt itself. Said Harold Sklar, professor of criminal law at Montreal's McGill University: "The changes are admirable, but the very nature of contempt laws remains unaltered. I am particularly uneasy with the continuation of the judiciary's approach to contempt against itself. In a free society the judiciary has to be open to criticism and the press allowed the freedom to debate." Lawyer Daniel Brierly, a member of the OBC's legal department in Toronto, echoed Sklar's warning. Said Brierly: "It will give judges more rights than I believe is required to limit free speech. Nonetheless, the ground rules will be simpler, and the new system will offer us more latitude to publish our comments." ☐

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Canada

The politics of street sex

By Susan Riley

The federally appointed Fraser commission on pornography and prostitution had barely opened its hearings last week when it became a forum for controversy. Vancouver Mayor Michael Harcourt charged that the federal government was "either cynically negligent or woefully blind" for not acting sooner to stop street soliciting in his city. And Justice Minister Clark MacGinnis angrily told a gathering of Vancouver women at the Canadian Club that the prostitution problem "exists in Vancouver because the city drove the prostitutes out of the suburbs. They put them on the streets." As the rhetoric escalated, the committee took the first tentative step in a four-month, cross-country odyssey. And it was clear that the hearing had only begun, because not only are committee members tackling two of the thorniest issues in Canadian law but they are doing so in an atmosphere of mounting public frustration, anger and fear.

In Vancouver's residential west-end, prostitutes and straggled local residents have come to blows in the battle for control of the streets. Vancouver city council has made repeated pleas to Ottawa for tighter federal laws. Vancouver politicians criticize MacGinnis's fail to act on a 1982 parliamentary committee recommendation that prostitutes be fined or jailed for simply "offering" their services and chains be dealt with in the same way for soliciting them. Ever since a controversial 1978 Supreme Court ruling, solicitation has to have been "pressing and persistent" before the police can arrest a prostitute. However, Vancouver feminist Ethel Anderson, vice-president of the Canadian Advisory Council on the Status of Women, told the committee that "forcing prostitutes into criminality is not the answer." And in Vancouver last

week municipal solicitor Terry Blaud offered a novel analogy if prostitutes returned to bars and restaurants, police would leave them alone. He told that the city should never have shut down the Pushhouse, a club that prostitutes favored.

The committee hearings in Calgary



Below: an atmosphere of mounting public anger

and Edmonton focused on pornography, an issue as emotive as charged as prostitution and perhaps more complex. There, the seven commissioners, led by a former president of the Canadian Bar Association, Vancouver lawyer Paul Fraser, heard briefs that described pornography as a hate literature on the grounds that it degrades women the same way Nazi propaganda degraded Jews. Few briefly defended pornography or opposed censorship. Allan Walsh, spokesman for the Alberta Human

Rights Association, said that the present law is strict enough to deal with pornography—a claim that most other witnesses disputed.

It was the sudden promise of video rental pornography, along with the introduction of self-censorship by pre-empting on pay TV last year, that ignited concern that Canada's self-censorship law is not flexible enough to deal with new, more violent and more accessible pornography. Under current law a judge can rule that material is obscene only if it and only exploits sex or links sex with crime, horror, cruelty or violence. With amendments that MacGinnis proposed last June, obscenity would relate to sexual activity alone but to sexual activity that degrades some or all of the participants. Crime, cruelty, horror or violence could also be obscene, even if they were not linked to sex.

Fraser, proposed amendments to the Criminal Code do not address the committee's most difficult problem: what to do about the more prevalent soft-core porn that feminists charge degrades women but is not overtly violent. Rather than wait for the Fraser committee to decide, women in several Canadian cities planned to take their protest to the streets this week to mark the anniversary of the Jan. 18, 1980, demonstrations against the introduction of Playboy on the First Choice pay TV network. Maude Barlow, one of the original protesters and now a senior adviser to Prime Minister Pierre Trudeau, on women's issues, says that during the past year pornography has spread to nearly all of the pay TV channels and, she added, "to newspaper men's houses." "Despite promises, neither the industry nor the Canadian Radio-television and Telecommunications Commission has announced pornography guidelines. In fact, the CRTC announced earlier this month that it would not ban pornography on pay TV for the time being for fear of tipping the fragile industry into collapse. Prostitutes were disgraced. Maude Barlow "If they are saying that they have to build their industry as the basis of women, that it is too high a price to pay." But Judy Korda, the federal minister responsible for the status of women, had simple advice for women who find pay TV offensive. "Turn it off."

While such skirmishes rage, the Fraser committee is making its way into next month. In an election year, which 1984 will likely be, one of the most important functions of any government commission is to act as a lightning rod, drawing public fire away from the politicians. When it comes to pornography and prostitution, the commission had better be well grounded.

Will Anne O'Hare in Vancouver

Cholesterol is the culprit

For more than a dozen years, doctors have strongly suspected that high levels of cholesterol in the blood were the main cause of heart disease—the number one cause of death in North America. They believed that high-risk patients could stave off heart attacks, which kill 20,000 Canadians each year, by eating poultry, fish and slim dairy products more frequently, and less red meat, other dairy products and eggs. No one could prove that lowering the intake of cholesterol would reduce the risk of coronary heart disease. But last week the University of Toronto and McMaster University in Hamilton, Ont., in conjunction with 11 other centers in the United States and sponsored by the National Institute of Health in Bethesda, Md., released the results of a 10-year trial that confirmed the link between cholesterol and heart disease.

The study included 3,900 patients—300 of them from Toronto and Hamilton. It concluded that lowering cholesterol significantly reduced the risk of fatal and nonfatal heart attacks. Said Dr. Alrick Liddle, the Canadian project director: "As a rough rule of thumb, each one-per-cent fall in cholesterol was associated with a two-per-cent reduction in the rate of heart attack."

The doctors screened more than 680,000 men to find those who had high cholesterol levels but were otherwise healthy. The final 3,900 men divided into two groups. Both groups were put on moderately low-cholesterol diets, but one group took cholestyramine, a drug that lowers cholesterol, while the other received a placebo. One participant, Richard Hamilton, 58, the president of a hardware company in Markham, Ont., told his low-cholesterol diet and medication, and made six visits a year to St. Michael's Hospital in Toronto. There, doctors kept records of his blood cholesterol and coronary health. Although cholesterol, a fatty substance that helps form cell membranes and hormones, had been implicated as heart attacks, doctors were not sure that lowering cholesterol would reduce the risk of heart disease, and project epidemiologist Dr. George Steiner of Toronto General Hospital. The situation was further complicated by the fact that certain types of cholesterol, called high-density lipoprotein cholesterol (HDL-C), were often associated with a healthy lifestyle—high exercise, low

smoking and low heart disease risk—while low-density lipoprotein cholesterol (LDL-C) was the villain, associated with high risk. Although the study group patients showed a modest rise in HDL-C levels, the exhaustive study confirmed that the reduction of LDL-C lowered the risk of heart attack risk.

Also of major importance is the fact that the group of patients who took cholestyramine was free of heart disease than those placebo-taking counterparts. Steiner points out that if an individual does not adequately reduce cholesterol by diet, his doctor could consider pre-

scribing drugs. And, although all test patients were middle-aged men—traditionally the highest-risk group for coronary disease—the researchers agree that when the study revealed should be applied to younger women and men as preventive measures. Hamilton, for one, has no intention of abandoning his diet, although he will not know for another few weeks whether he was taking the drug or the placebo. Still, he can enjoy his guarantee that his chances of avoiding a heart attack are considerably greater.

—DAVE SHERMAN in Toronto

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The spill that became a flood

It started as a trickle two weeks ago, but in the end the spill turned out to be Saskatchewan's first major uranium industry accident involving radioactive in production for only 10 weeks, the Key Lake Mining Corp., 640 km north of Saskatoon, accidentally dumped 22 million gallons of water, overflowing a containment tank and possibly contaminating the surrounding forest making on the side site. Last week the uranium mine company tried to allay the fears of environmentalists by stating that the contaminated water registered very low radiation readings. (The final reading from tests carried out by the Saskatchewan Research Council, however, registered roughly 10 times the safety limit specified by the government for discharge into the environment that was laid out in the Key Lake mine licensing agreement.) It also claimed that the spill was contained and that the water would not reach the Churchill River system, which leads to Hudson Bay. But the company's case was hampered when David Clark of the provincial environment department revealed that there have been 16 spills at the mine site since April 1, 1985, some involved diesel fuel and oil, and eight involved radioactive material. What is more, company President Peter Clarke admitted that some water had in fact reached a nearby forest lake. At week's end the growing demand for a public inquiry prompted the provincial environment department to announce that it would conduct a full-scale investigation into the accident.

The Key Lake mine, situated above one of the world's richest uranium ore deposits, was supposed to be one of the most modern and efficient plants in the world. It can produce as much as 11.9 million pounds of yellowcake (uranium oxide) a year for its three owners—the Crown-owned Saskatchewan Mining Development Corp., the West German-owned Uranium Mining and Exploration Ltd. and Eldorado Resources Ltd. Company and government officials had assured the Saskatchewan public during lengthy open public hearings in 1980 that the mining operation would be totally safe and that environmental hazards would be minimal. But because the mishap resulted from human error and could have been avoided, it brought the competence of the mine management and staff into question.

On Jan. 2 the mill was forced to shut down operations for mechanical reasons. But outside operations continued—including the continuous pumping of contaminated process water

out of the mine one pit 150 m away. The water was added into two reservoirs outside the mill, and from there about 1,300,000 gallons of water would normally have been diverted daily and used in the normal milling process. But because the mill was shut down, the radioactive groundwater was not treated. As a result, within 1,100,000 to 1,300,000 gallons of new groundwater continued to be pumped into the reservoirs over two days, the rising levels burst a dike and caused the spill.

Chickie told *Aspen* that the water levels in the two reservoirs were high, but he said that when the mill was in full production the levels would have been much lower because the plant operation requires more water daily than was being pumped into the reservoirs from all water sources combined. But then, due to rain, Clarke explained, snow and ice hid the water level, and so one knew how much water was in the holding pits. After the dike broke, maintenance crews tried to dump sand and gravel to contain the leakage, but that failed. Crews then shovelled sand around the leaking area, halting the flow, and workers blocked off culverts in the vicinity, effectively controlling the spill. With temperatures between -40° and -50° C, some of the equipment froze. At midnight on Jan. 4, mine officials ordered pumping operations from the one pit halted, and the mill restarted operations on Saturday afternoon.

Water treatment last week gave the spill and government inspection, breaking news, and a lengthy process of thorough testing began. Provincial department of environment officials and experts from the Atomic Energy Control Board, as well as top Key Lake officials, went on the site around the clock, determining what had to be done to ensure no major environmental damage. The company is considering several steps: building a third reservoir as an overflow pit in case the two dikes fail to hold, installing elaborate depth monitoring devices in the reservoirs, and installing a compressed air line into the reservoir to send bubbles through the water and keep at least a portion of the surface free of ice so that true water levels can be measured in the winter.

If tests over the next few months indicate that the leaking is not contained with radioactivity to such an extent that the water must be treated, then the company is prepared to install an outside treatment plant and divert the water in the spring. Admittedly, Clarke, "It is all terribly embarrassing because it reflects poorly on the uranium industry." And for a provincial economy that depends heavily on uranium, it is a serious warning.

—DOUG MC-COMBIE in Saskatoon.

MEDIA WATCH

The ominous power of the mythmakers

By George Bain

If the start of official mythmaking that belittles George Orwell in the opening of *Northern Exposure* ever earned its ugly head here, a watershed, diverse and free press would soon put a stop to it. True? Consider, then, Susan Bricker of the CBC's *The Journal*, laying the groundwork for a look at the Prime Minister's peace initiative in an obsequious rain documentary Dec. 15. "The best generated by the RAI incident convinced Trudeau he had to do something new. Ronald Reagan called it murder." The *Toronto Star* began's view. The Prime Minister appealed for a cooling-off.

A U.S. state department file, RAI Flight #807: Compilation of Statements and Documents, Sept. 1-16, 1983, reveals no significant difference in the quality of language from the Canadian government. Charles M. Lehoucq, alternate U.S. representative at the United Nations, summed up on Sept. 12, "Let us not let the crime for what clearly it is, a violent, cold-blooded, deliberate murder." And the official Canadian Trade's government, delivered by his longtime friend and confidant, Canada's ambassador, Gérard Pelletier. "The deliberate, in-flight destruction of this civilian aircraft, caused early identifiable passenger aircraft... a disaster where it occurred, is a warning short of a nuclear war." Marley was also the term used 15 days later in the Commons by External Affairs Minister Allan Rock. Consequently, when Conservative Leader Brian Mulroney, talking also regarding on Sept. 12, referred to it, "without-obscure act of murder," the objective truth would seem to be that while perhaps he echoed Reagan, he may also have echoed Trudeau's government—or even reflected only his own judgment, arrived at in consideration of the same facts as these others.

It was nearly four weeks after the event that Trudeau, in a speech to Style St. Mary, Ont., did one of his famous Seven Sins turns and proclaimed the government's stance that the peace government treaty on both sides of the question—Pelletier and Mulroney were never repudiated—a state of confusion that many in the media (not even Mulroney) have accepted complacently to be mythologized as constant, state-of-the-art purpose.

Nonstop ability to myth is noted in a short attention span and extra of the critical faculty. Consider this accidentally spawned preparation, here reported by the Halifax Chronicle-Herald: "External Affairs Minister Allan Rock... told the press initiative a big step forward when he convinced NATO foreign ministers to attend [this month's] international conference in Stockholm, Sweden." That, too, has been cast into myth by, as one example among many others, John Hay in Washington for this magazine, in a Dec. 30 assessment of the peace initiative. "Among the nations NATO's decision sent fewer signals to the Stockholm conference than myth." If that is so, the tape of the press conference given by the retiring secretary-general, Joseph Linn, at the close of the conference, shows that he did not say things that way. "The Stockholm conference on security and confidence-building has been discussed. It was decided that ministers will attend... a decision that ministers would attend this conference was a proposal by Monsieur Chavon (the French foreign minister, Charles Chavon). Linn's only reference to Canada was of Mulroney having spoken "in similar context" to the Belgian government on something else.

In the Canadian influence on representation at Stockholm as officially reported myth, there is a note of the secretary-general being hostile to Canada. If (the latter, that would place him on the same footing as those people now mentioned in popular belief in the Prime Minister's early announcement in Washington. The readily discernable facts of what took place at the seminar conducted by the Center for Inter-American Relations in New York, where the above phrases took place, present a different picture from that of a lot of straw-men with vested interests manipulating information, instead trying to recover a Canadian peace effort. Persons who come there, after the fact, usually thinking, it was spectacularly worded, rubbings of Canada's contribution to NATO from politics as well as military purposes, that not all Canadians passed vigorously disagreed and that the relationship of what was said was, in any event, important to the Trudeau peace initiative. But the myth of the third-level Pentagon pigpen, set to do down press, true.





Cool: an exercise in moderately witty one-liners and a salute to slyful charm

FILMS

A poet's public anguish

REUBEN, REUBEN

Directed by Robert Miles Miller

As the rumpled, brooded poet Owen McLeod in *Reuben, Reuben*, obviously inspired by the legendary dove-and-out personalities of Brendan Behan and Dylan Thomas, Tim Conti grows as accomplished but unimpeachable performance. His drunken routine is technically exquisite, but he plays too much to the gallery. McLeod dived up scintillatingly long ago; now he finds himself in a New England town where he moonches an audience and ingenuously himself into the subconscious of the local waitress. Rather than write poetry, he performs the role of a poet—scurried, demented, full of self-congratulatory wit and occasionally publicly anguished. Scarcely evident in Conti's portrayal is McLeod's private anguish, which the screenwriter, Julius J. Epstein, adapting Peter DeVries's knockabout satire, is at a loss to represent.

Reuben, Reuben is a desultory example of literary work that refuses to adapt itself to a visual medium. There is not a single interesting shot in the movie, and generally the film slices the poem's surface—a mere pastiche of its thought and emotion. Conti's performance as well as helplessly superficial. With his hard-to-see hair and his sad, droopy eyes, McLeod becomes as cute as an Irish cat and a tiresome stereotype of the unconventional poet with a rose-petal hat and a taste for drink. Only once does Conti, a marvellous stage ac-

tor (Phone Life Is A Dream!) and a great screen actor when he restrains himself (*Merry Christmas, Mr. Lawrence*), achieve depth and poignancy. Hopelessly drunk and without a ticket on a commuter train from New York, he lurches around in his haze to discover his own humiliation—and gratitude—when a young woman, Geneva (Kelly McGillis), pays him fare. It is precisely the only time the actor is aware of the movie he plays.

McLeod's frustrated infatuation with Geneva (screenwriter McGillis is a seductive amalgam of Grace Kelly's poise and Marlene Dietrich's swaying sensuality) and his desperate sense of his own worthlessness derails the movie's tone. McLeod the toddy bear changes to the sad Puritan. But it is too late. McLeod has already been established as a light, flimsy sort upon whom despair is as ill-fitting as his lumpy pants and shaggy towel jacket. (The title, incidentally, refers gratefully to a sheepdog that is eventually McLeod's undoing.)

If McLeod had been in a dramatic conflict with his urges, both as an artist and a man, *Reuben, Reuben* might have been something other than an exercise in moderately witty one-liners and a sentimental salute to slyful charm. Conti's work—bump, skink, aggressive—is the kind that usually wins awards. The movie—frank, conventional and ever so virulently disorienting—is the kind often termed literary. Neither is close to what it aspires to be.

—LAWRENCE O'TOOLE

Childhood's comic and charming end

EXPERIENCE PREFERRED...

BUT NOT ESSENTIAL

Directed by Peter Duffell

A charming coming-of-age story, *Experience Preferred... But Not Essential* has the winning qualities of a good short story: attention to detail, finely honed humor, engaging characters and an enjoyably unvarnished pace. No specific narrative pulls the viewer along, but each vignette builds a strong sense of time (1960s, please and forgive). As a naive student, Annie (Elizabeth Edwards) comes into contact with the harsh yet comic realities of life at a Welsh seaside resort hotel. After a few weeks of working as a waitress, she complains, "I'm the only one here who doesn't have a job."

As life's co-workers in the kitchen are a different story altogether: each reveals a tale as the film progresses, taking its own sweet time as *Salute to Nature's* wine connoisseur, Marvin (Bob Wainman), has found refuge as a waitress at the Grand Hotel after a six-month stay in a psychiatric ward, which began after her childhood sweetheart left her standing at the altar. The dastardly, gin-popping Ariadne (Magpie Wicks), pregnant by a much older man when she loves, forsakes her dandified existence in a London tobacco stand for her present complicated life at the hotel. (She may be unhappy but at least, she feels alone.) The clumsy cook's assistant (Peter Dinklage) is not sure if he is homosexual, the wine steward (Robert Rhyta) knows he is and himself and nonetheless every night in the nude—a naive manifestation of his subconscious desires. All of them, as Annie discovers, are bound together by mutual need, trust and respect.

A great part of the appeal of the characters in *Experience Preferred... But Not Essential* is their lack of pretension—their ordinariness. Their simple pleasures—a mail party, a bottle of beer while snuggled up in bed, an afternoon walk—see a relief from most movies that bully, manipulate and strive to convince. There is not much going on in the movie, but it is still consistently entertaining and never without interest. Director Peter Duffell and his screenwriter, June Roberts, may not have the enigmatic comic perceptions and the magical timing of Bill Forsyth (*Greystoke's* God, *Local Hero*), but the characters are more than the sum of their complexities. *Experience Preferred... But Not Essential* is as slowly gratifying as taking a tin can along a road.

—LOT

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The new breed of high-tech peacekeeper

By Pat O'Rourke

The prospect of preventing nuclear war has never seemed more remote. While the United States and the Soviet Union deploy more nuclear weapons in Europe and their confrontational rhetoric intensifies, arms control talks—the only real hope of slowing the arms race—will not proceed to a halt. Increasingly, experts on both sides of the Cold War have never been closer in their ability to police arms pacts. The developments have come in the largely unknown field of "verification technology," remote sensors that give teeth to bilateral agreements and ensure that both sides adhere to arms treaties. The technical data that the new breed of sophisticated satellites, radar stations and seismic monitors provides allows each side to verify whether the other is honoring bilateral agreements that restrict the development, testing and deployment of nuclear weapons.



A deployed Teal Ruby detector satellite reveals electronic sensors that give teeth to arms agreements.

Robert Bushkin, a veteran U.S. arms control negotiator. "Without the hardware, it is just guesswork for a politician to figure out what is going on in the minds of the Soviet Union." A report that the White House will release within the next few weeks contains evidence of suspected Soviet violations of arms agreements. The report will serve to increase the legitimacy of claims of secret U.S. verification hardware, which, partly because of its obvious overlap with spying activities, has been highly classified. U.S. scientists believe that Soviet verification technology—areas more shrouded in secrecy than U.S. systems—uses similar equipment and payload U.S. capabilities.

Currently about three dozen orbiting U.S. satellites engage in twenty verification, according to John Pike, staff assistant for space policy at the Federation of American Scientists (FAS) in Washington, D.C. Perhaps the best known are a handful of reconnaissance satellites—the "workhorses" of verification—that take photographs of the

Soviet Union with either conventional film or television equipment. The altitudes of the satellites vary from about 50 to 300 miles. They sweep over the Soviet Union several times each day, and color enhancement and infrared photography increase their effectiveness at night or on hazy days. One satellite in particular, the USAF High Resolution Satellite-1 or scout, which the United States launched in December,

monitoring is to determine whether test explosions are under the 100-kiloton limit (10 times greater than the Hiroshima bomb) set out in the Threshold Test Ban Treaty of 1974.

Like the weapons it watches, verification technology has advanced rapidly with new developments in the arm race. Said Texas political scientist Theodore Rabinovitch, who is writing a "primer" on verification for the posi-

1950, can even read the numbers on a vehicle's license plate. The other monitoring satellites engage in electronic eavesdropping: picking up telemetry messages sent back to ground controllers from Soviet missiles during test flights; intercepting Soviet communications on land and at sea and listening to Soviet satellites.

The ground- and sea-based radar systems that study Soviet missile tests are no less sensitive than their counterparts in space. Radar systems in Alaska, Cyprus, Turkey and on ships near open-sea missile launchers monitor Soviet missile launches, velocities, positions and re-entry by means of radio signals that bounce off the Earth's ionosphere.

Finally, seismic monitoring stations scattered around the Earth record jolts in the Earth's crust, discriminating between earthquakes and underground nuclear explosions. The purpose of the

great American Association for the Advancement of Science. "Crises studies pose significant problems for technology and verification people." The missile is difficult to miss by monitoring because they are small, and some carry nuclear warheads, while others carry conventional ones. Yet few specialists believe that the difficulty with monitoring cruise missiles hinders the end of arms control. According to Robert Scott, editor of *Arms Control Today*, a publication of the nonpartisan Washington-based Arms Control Association, with technological ingenuity "you can always find ways to verify these things—and with cruise missiles there is still time."

Crises uncertainties in the field of verification may make policing cruise missiles a more inoperable task. The U.S. space shuttle will launch the Teal Ruby, an infra-red detector satellite to

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signed to track bombers and cruise missiles, next year. But the most advanced manovring satellite on the horizon, scheduled for a shuttle launch in mid-1990, is the "K01-12." According to Pike of FAS, the four or five K01-12 "buds" planned for deployment would render three other photo-reconnaissance satellite systems obsolete. The K01-12 will be able to circle the Earth 10 to 16 times per day. Extra fuel and maneuverability will allow it to move from a high altitude of 500 miles to a low of 50. That means that operators on the ground will be able to move the satellite in for a closer look at an interesting site or maneuver it to evade Soviet A&T (anti-satellite) weapons.

Although verification technology is a potent tool for the peace-makers, ultimately heads of government must decide what to do with the information. After SALT II, the Strategic Arms Limitation Talks treaty of 1979, the Standing Consultative Commission, a small, closed-door group of U.S. and Soviet officials, was established to quietly examine Soviet and U.S. allegations of non-compliance and make recommendations to their respective governments. Ambassador Buchheim, reflecting on his experience as U.S. commissioner to the commission from 1976 to 1981, said: "Both sides brought in the same types of complaints, some of them serious. But the difficulties were ironed out."

But later this month, or in early February, in a rare departure from the tradition of quiet diplomacy, President Reagan will present a report to Congress that will detail suspected Soviet violations of arms agreements. The conclusions of the report will stem from data gathered by verification technologies. Michael Kropp, a researcher at the Washington, D.C., Center for Defense Information, who is completing a study on the politics of verification, predicted that the president's report "will be destructive. But how harmful it will be depends on the 'spin' that the administration puts on it." What worries some arms negotiators and other observers is the possibility of an open report, or at least press leaks that opponents of arms control could use. In Pike's words, is "prove that the Soviets cheat and that the United States should protect itself by buying every weapon in sight."

But even if that worst nuclear scenario does not take place, Reagan's report—and possible responses to it by Soviet leaders—could be the most crucial test so far of the arms control process. In a period of rising rhetoric and stalled negotiations, it would be sadly ironic if the sophisticated hardware of verification, which was intended to ensure arms limitations, were used instead to create another major setback in the control of nuclear weapons. ☐

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Boosting the image of spies

Since President Harry S. Truman started the U.S. Central Intelligence Agency in 1947, its senior officials have insisted that espionage is a necessary and dignified occupation. But over the past decade the "cool spy" image has become tarnished. Congressional investigations into the agency have revealed that its agents participated in plots to assassinate foreign leaders, schemes to overthrow friendly governments and massive eavesdropping of illegal telephone tapping and mail opening.

Now, a group of former CIA agents, hoping to bolster the agency's sagging popularity, has started a campaign to open a national intelligence museum in Washington. A major obstacle will be to getting spies as true U.S. patriots whose national contributions have not been recognized. Said former CIA director William Colby: "It will go a long way toward showing that intelligence work is an honorable profession." Detailed planning started two weeks ago to raise \$2 million this year from private sources.

William J. Casey, the current CIA director, for one, is an enthusiastic backer of the plan, and the Senate Select Intelligence Committee has passed a resolution offering "moral support." CIA veteran Martin Craner, who is heading the fund-raising effort, said that the museum will put the role of espionage in historical perspective and that it will rely on exhibits which show "in positive detail" exactly how specific spy assignments have advanced U.S. foreign policy. One major feature, he said, will be theoretical spy-plane photographs that proved the Soviets were installing nuclear missiles in Cuba in 1962. Another will be the special radio transmitter that agents of the Office of Strategic Services—the forerunner of the CIA—hid outside Berlin in 1945 to guide allied bombers to their targets.

The planners hope to feature an exhibit on the Glencoe Explorer, the salvage ship that the CIA used in 1975 in an ill-fated attempt to raise a nuclear submarine north of Hawaii. Walter Pflaumer, who served as the CIA's first legislative counsel, will lead those

from his own world-class collection of almost 5,000 books and manuscripts on espionage. Included in that collection are a 1777 letter from George Washington as "the necessity of procuring good intelligence" and a photograph of Margaretta Overmunda Zelle, known as Mata Hari.

Although no final decisions have yet been made on the museum's permanent contents, it is not likely that exhibits involving the CIA's less honorable activities will figure prominently. The unsuccessful plots in the early 1950s to undermine and murder China's Peking Centre will remain documented only in the congressional investigation reports released in 1955. Those schemes revolved around ingenuitism, with agents using a dissembling drug and butterfly toxin toasting his books with a powder that would make his head fall off. There will be no reference to Francis Gary Powers's U-2 spy-plane flight over the USSR in 1960.

Despite the CIA's past missteps, the planners are optimistic about the museum's future success. Said a confident Craner: "We hope it will be the sort of place that might inspire a talented young person to seek a career in intelligence." Given the reputation that the CIA has acquired since the Second World War, that might be difficult. —WILLIAM LOWMYER in Washington

The binding contract of femininity

FEMININITY

By Susan Brownmiller
(Morrow, \$70 pages, \$10.95)

Susan Brownmiller's last book, a historical survey of rape called *Against Our Will*, was such ground for a feminist. Its impact and importance were almost guaranteed because it paraded and articulated a distinctly fierce and assertive emotion—anger in her new book, *Femininity*, Brownmiller has taken a greater risk as a writer she has pursued the meaning of that great set of contradictions, femininity and equality, packaged known as "femininity." She has also dared to be vulnerable, and occasionally even silly, in the process.

Brownmiller's conclusions of her personal comparison with what she calls the "feminine ideal" are neither self-deprecating enough to be funny nor winsome enough to evoke racial empathy. In appropriate chapters devoted to body, hair, skin, clothes, voice and movement—many brags of information about historical debates of femininity, roots in female biology and present customs—she solemnly reveals that although her mother taught her to curtsy before she was 6, she hates makeup and gave up dresses in the first flush of 1960s feminism. But she is careful to make some concessions to femininity by moving gracefully and wearing her wayward hair rather long ("I know what some people think about short hair—they say short hair is masculine, dry it"). The effect of her revelations and the book itself is at first simply irritating. Most women attempting to exist in the public world are already conscious enough of the little vices in their bodies warning them against de-sewing themselves about "being their femininity" by stepping across one too many lines. Most have made their own compromises. They want money and power, and not to have to feel guilty about that.

What Susan tries to make the reader into giving *Femininity* serious attention is the sheer size of the internal checklist by which she condemns to live. Every woman can catalogue herself in the way Brownmiller does and come up with an exact score as fulfillment of the feminine contract. Once she admits that, she then has to face the fact that the seductive games and dress-up, the striving for grace and beauty, the frivolous minutiae of much that is feminine, always has been dedicated to making



Brownmiller: playing seductive games

the lack of power feel good—and still is. Brownmiller proves with overwhelming detail that most feminine behavior is "ultimately destructive to the sense of the fascinating, productive self." She writes, "In place of forthright action we are offered a voice as exquisitely romantic and sexually beguiling that few

care to question its careless imagery of seduction: a Venus without arms."

Brownmiller never pays lip service to the fact that masculinity might be a similar straitjacket, with its patterns of protection and control. "One could say that masculinity is often an effort to please women, but masculinity is known to please by displays of manly and competence while femininity pleases by suggesting that these concerns, even in small matters, are beyond its intent." The trenching undercurrent in *Femininity* is a sense of an imagination that masculine is better because masculinity builds and acts, while women curdles for the human race. Brownmiller essentially dangles the emotional values associated with femininity—love and nurturing and connection to women—by drawing no line between these qualities and the pursuit of aesthetic perfection and girlish passivity. She also questions the value of a centuries-old female form of production—childbearing and nursing—because of the self-effacement that society asks of its mothers.

Feminism itself is right between these who hold out feminine values as the possible salvation of a world on a male-charted course for destruction, who seek to celebrate a female difference rooted in reproductive biology, and those who hold that the differences between the sexes are socially created and will break down into an androgynous humanity. From the evidence of *Femininity*, Brownmiller is in the latter camp. Her review is as much an essay on more characteristic sense of women's place and their own complicity in staying put—and even more concerned that makeup, motherhood and sex will never go together. —ANNE COLLINS

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- 3 *Whisperer's Edge, Atwood* (2)
- 4 *The Name of the Rose, Eco* (4)
- 5 *The Wicked Day, Bennett* (5)
- 6 *A Time For Jakes, Callaghan* (1)
- 7 *Jelly Belly, Lee* (7)
- 8 *Devils Game, Langston* (3)
- 9 *Thudgits, MacLean* (2)
- 10 *An Innocent Nightshade, Partridge* (26)

(1) *Pollan last week*

Nonfiction

- 1 *The Game, Dryden* (2)
- 2 *In Search of Excellence, Peters and Waterman Jr.* (4)
- 3 *You Can't Print That, Caputo* (2)
- 4 *Conductors, Morris, Gregg and Perle* (4)
- 5 *The Money Spinners, McQueen* (1)
- 6 *Look Ma—No Hands, Pickerington* (3)
- 7 *Other People's Money, Foster* (2)
- 8 *Debutants Illustrated Guide to the Canadian Establishment, Newman* (2)
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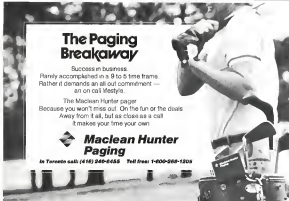
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Harris's Lake and Mountains: shifting artistic parallels between Canada and Scandinavia

ART

In praise of the north country

By Gillian MacKay

There is a prevailing myth that the members of the Group of Seven were ardent radicals whose plunge into the wilderness landscape was as bold as Samuel de Champlain's trailblazing expeditions before. Indeed, certain members of the group even tended to encourage the notion that they had somehow sprung full-blown from the Canadian Shield, drawing their inspiration directly from the land rather than from foreign traditions. In fact, a key turning point for the group occurred not in the Canadian bush but in Buffalo, N.Y., where in 1915 Laurens Harris and J.E.H. MacDonald viewed an exhibition of contemporary Scandinavian landscape painting that altered forever the way they saw their own country. Harris later recalled, "From that time on we knew we were at the beginning of an all-embracing adventure." Now Canadians have an opportunity to assess the critical influence of Scandinavian painting in *The Myrte North*, an exhibition of Northern European and North American symbolic landscape painting that opened last

week at the Art Gallery of Ontario.

The Myrte North cuts a broad swath across two continents from the sublime heights of Swiss mountainscapes to the measurably of Scandinavian twilight and the dark tangles of Canadian forests. The exhibition, which will travel to the Chiswick Art Museum on March 31, contains 125 works by 31 artists, including such international luminaries as Piet Mondrian, Edward Munch and Georgia O'Keeffe. There are also many unknown figures, including Swedish's Gustav Fjæstad and Norway's Harald Solberg, who occupy the same revered positions in their countries as the Group of Seven does in Canada. In the larger context of modern art, many of the works appear conservative, rather sombre and at times mediocre. But the striking parallels with Canadian art lead them a special intellectual and emotional appeal.

Indeed, the links are so strong among a far-flung group of artists, some of whom could not have known of each other's work, that Harald Naugard, chief curator of the AOG, defines a category of symbolic landscape painting practiced throughout the North, first in

Europe between 1800 and 1850 and then in North America from 1850 to 1940. Although there is an enormous gulf between the late-19th-century Finn Aksell Gallen-Kelfell's fantasy paintings of folk gods and Georgia O'Keeffe's severely abstracted *Red Hills and Snow Lake Group* (1927), Naugard suggests that even such disparate artists are unified by their interest in wilderness, their desire to find unconditional meaning in it, and their rejection of descriptive naturalism in favor of a more decorative and expressive style better suited to conveying ideas, mood and emotion.

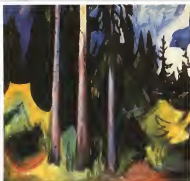
For many of the northern symbolists, that quest had a strong patriotic dimension. To young Canadian artists struggling to define a truly national art, the Scandinavian painting struck with the force of a revelation. The sheer physical resemblance to Canada was evident in such works as Otto Hennelsson's *Our Country*, 1907 from *Dalarna*, a vast panorama of a dark, fir-forested landscape bathed in golden twilight, which reminded them of Muskoka and Temiskaming. At last there was

a vision of the North that seemed to owe nothing to the landscape traditions of England, France and Holland, which still dominated academic painting in Canada. In that conservative environment the very thought of painting the Canadian North was radical. The lush, irregular forms of rocks and pine trees did not conform to the serene, classic lines of the French countryside. The clear air of the North produced dazzling, discordant colors that artists could not reproduce with the subtle, low-toned hues appropriate to more northern climates. Even A.T. Jackson, returning to Canada in 1910 after two years in Paris, was frustrated by the difficulties. His initial response to Georgian Bay, a region he later immortalized, was far from enthusiastic. He wrote, "It's nothing but little islands covered with scrub and pine trees and not quite picturesque."

Two decades earlier, Parisian-trained Scandinavians had experienced similar frustration, but a strong desire to paint their homelands helped them come to terms with what had seemed a visually hostile terrain. Drawing on Art Nouveau designs and on the work of

Post-Impressionists like Gauguin, they flattened natural forms into rhythmic shapes and patterns, experimented with brighter colors and employed dramatic compositional techniques to convey a sense of nobility or reverence for the landscape. In Solberg's *Prophet's Cottage* (1906), a spectral blue twilight view through a flat, icy curtain of dark trees in the foreground, evoking a delicate, haunting mood. Later, Harris borrowed freely from that composition to create a more powerful mystical effect in *Sever's Swamp*, 41, 1908, in which the jagged silhouettes of trees stand starkly in front of the golden light of the sunset. In one of the show's more dramatic juxtapositions, an Edward Munch landscape, *Forest* (1903), hangs next to a work by Emily Carr. With their rich hues, chunky shapes and swooping brushstrokes, the paintings could have been created by the same artist.

The Canadians were more than mere copies. Painting at least 20 years after the Scandinavians, they had assimilated more of the lessons of modernism and were consequently more daring in their use of color, expressive brushwork and abstract form. As a result, their paintings are more forceful. Harris's symmetrical arrangement of mountain peaks in *Madagas Lake*, Jasper Park (1934) echoes the Swiss artist Ferdinand Hodler's composition in *Lake Thun* (1906). But Harris dramatically rejected Hodler's attention to the detailed texture of the landscape and flattened the mountain peaks into a rhythmic series of triangular shapes, giving the im-



Munch's Forest (above); Solberg's Night: clear air and rugged simplicity

age a more potent spiritual force. Harris believed that Canada's proximity to the "dazzling rhythms" of the North ultimately would produce "an art somewhat different from art southern fellows... of a greater living cast, perhaps of a more certain conviction of

moral values" than that of the United States. As the work of American painters O'Keeffe and Arthur Dove indicate, Canadians cannot claim spiritual superiority over their southern neighbors. Their landscapes are charged with transcendental meaning, but Munch and O'Keeffe do not fit comfortably into the format of *The Myrte North*. Their settings are not particularly northern, and their work is far more radical stylistically than anything else in the show. But it is a welcome inclusion. David Shaw (1900), in which a brilliant hall of principal power hangs above an undulating line of hills, and O'Keeffe's *Red Hills*, with its expanding circles of light reorienting about the monumental slopes, both seem to fulfil her mandate to "find the feeling of infinity on the horizon line or just over the next hill."

Ultimately, all the artists are linked by their devotion to such a quest for spiritual fulfillment through paintings of their native terrain. That intensity shines through the show, even in works that appear awkward or outdated. The affinity that Harris and MacDonald felt 73 years ago for the clear air and rugged simplicity of Scandinavian painting is not difficult to understand. Of MacDonald's works, MacDonald later wrote, "They seemed to us the true expression of the mystic north around which we all revolve." As the exhibition proves, that chord of kinship still resonates. ☐



The land lacks purpose

By Allan Fotheringham

There is a strange mood across the land, the January blaise attitude, all and nothing a pall over the Great White North. There is no sense of purpose in the realm, since we are all waiting for the proprietors to take issue of the country house and be gone. Fish and houseplants tend to become uneasy after three days, and the present government is in the same fix. No one really wants them around, but we have to wait a bit longer before dreading them off the frost-dormant. Their resolve?

There seems of purpose, of priorities? We now have from this government of royal commensals a federal government commission on prostitution roaming the land, headed by yet another Liberal lawyer, seeking to plumb the depths of a "problem" that has bedevilled parliament since Moses was a pup. Perverts of flesh from all four sides prove the downturn across of our major cities, and the Liberal solution is a liberal use of public funds to "re-assure" the problem with another series of public hearings. Don Mackenzie is taking forever to probe the navel of our economic problems, and Justice Minister MacGillivray's solution to the problem of justice, the skeleton is to appoint a Liberal lawyer to study the perf. This is a government with serious wheel-spinning difficulties.

The solution to the embarrassing problem of not having a Newt in the cabinet is a public debate Newt solution, appoint the chap you just sacked. Only on the rock would they appreciate the delicious humor of it all! Bill Kempsey was deemed not fit to be released saving the point-headed intellectuals who dominate all the benches in the Trudeau cabinet and we heaved last year in favor of one Roger Stannard, a porcupine and parliamentarian Newfoundland Liberal whose only fault proved to be the fact that he couldn't add his income tax form. Currently, with Stannard gone, the show must go on, prove since Senator Keith Davey, who lasted in Canadian Football League commissioner

Allan Fotheringham is a columnist for Southern News.

only as long as the parliament period of a rabbit—Kempsey suddenly acquired a force-fed iq. That man who was deemed inadequate in 1980 suddenly took on the horns of brilliance in 1984. This is the party, remember, that places judges, is attacked by bathtubs, signs false names, is in contempt of court and waves budgets in front of television news lenses.

The land is out of sync, the Montreal Canadiens mixed with the radioactive Guy Lafleur of the liquid strike and streaming hair disappeared from the top 20 scorers, and the leaning tower of



Larry Robinson is no longer a comforting factor. A young man in Nova Scotia is put in jail for 11 years for a murder he did not commit, and both provincial and federal authorities are clumsy-mouth and stoother in explaining why they have no legal obligation to recompense the wronged man or make good in any way for his \$100,000 legal bill in mind up to prove his innocence, which is not disputed by the same strong castaways of the scales of justice.

Chinese Premier Zhao Ziyang, in the territory, across Washington that Peking winks Taiwan back in his control, not knowing that the major problem when he visits Ottawa is to convince Alberta to join Canada. It is a time to think global thoughts, since domestic ones are so painful. Ronald Reagan, who gets his philosophical inspiration in the same way hypochondriacs inspire from the doctor's waiting room—*The Reader's Digest*—plans to put his aging fern on the line as leader of the most vigorous nation on earth. The other most

powerful nation on earth is run by a man who is so ill that he cannot appear in public. The historians will be amazed.

The Prime Minister of all of Canada, who does not have a single provincial premier of his persuasion and trails apocryphally in the opinion polls, roams the world in search of global peace. In the meantime there is furious grating, guerrilla skirmishes and suppressed umbrellas breaking out among the back-benchers in his own caucus, who profess in the knowledge that they will lose their seats if they proceed into an election with this same man as their leader. The man who is odd-on to lead them, John Turner, has not said a word in public for seven years, a tremendous attribute for a future leader of the land. The only person who could conceivably beat him for the leadership is Marcel Meresse.

The malaise spreads like mold in British Columbia: a man-spirited and vindictive Social Credit government will not allow Dave Barrett back into the legislature, a sometime premier, until he "apologizes." The reason he must apologize is because he was dragged

from the chamber across the target, headfirst, by two sergeants-at-arms at 4 a.m. sitting on the cormer of the acting Speaker, a rookie member who was the last MLA in the province to be sworn in (a mere two months before this episode) after surviving numerous reprimands and winning his seat by less than 40 votes. This, too, is called democracy.

John Crosbie, who is called a "national treasure" by prime minister-to-be Brian Mulroney, opens his mouth and says that if the voters want to know what the Conservative policies are they should "stick us" first and then we'll be told. This, too, is called democracy. Don Getty, who quarterbacked a Grey Cup winner and quite probably may be the next premier of Alberta, is out duck-hunting with his sons and is shot in the arm by a man in a pickup truck who mistakes his wooden decoys for real ducks. The pickup truck speeds off. You think I'm making this up. This is the country that belongs to Canada.

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